

STATE OF ILLINOIS

# Comprehensive Annual Financial Report

~ 2002 ~

*For Fiscal Year Ended June 30, 2002*

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**Comptroller Daniel W. Hynes**

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# Comprehensive Annual Financial Report

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April 15, 2003

To the Citizens of the State of Illinois,  
Honorable Rod R. Blagojevich, Governor and  
Honorable Members of the General Assembly:

I am pleased to present to you the *State of Illinois Comprehensive Annual Financial Report (CAFR)* for the year ended June 30, 2002. The CAFR is the State's official annual report which provides the readers with the financial position of the State as of June 30, 2002, and results of operations during the fiscal year. The report is intended to provide the State's taxpayers, managers, investors, creditors, lawmakers, and other users with information in accordance with generally accepted accounting principles (GAAP). Responsibility for the accuracy of the data as well as the completeness and fairness of presentation of this report rests with my Office and other State agency management. This report necessarily includes certain amounts which are based on management's best estimates and judgments.

The CAFR is presented in the following sections: introductory; financial; and statistical and economic. The *introductory section* includes the table of contents, the Comptroller's letter of transmittal, and the State's organizational chart. The *financial section* includes the Independent Auditors' Report on the basic financial statements, the management's discussion and analysis, the basic financial statements, required supplementary information and the individual fund financial statements and schedules. The *statistical and economic section* includes selected demographic and business data, generally on a multi-year basis.

The Managements Discussion and Analysis (MD&A), which begins on page 3 on this report, provides a narrative introduction, overview and analysis to the accompanying basic financial statements. This letter is intended to complement the MD&A and should be read in conjunction with it. The accompanying basic financial statements are prepared in conformity with GAAP applicable to State governments as prescribed by the Governmental Accounting Standards Board (GASB). This office supports the GASB, contributed to its formation and participates in the development of pronouncements, providing testimony at public hearings and submitting comments and recommendations as proposed standards are distributed for exposure.

The CAFR includes all funds, elected offices, departments and agencies of the State, as well as all boards, commissions, authorities and universities for which the State's executive or legislative branches are financially accountable. The financial statements distinguish between primary government organizations and component units. The primary government is the nucleus of the financial reporting entity and is the focal point for the users of the financial statements. The primary government of the State consists of all the organizations that make up its legal entity. All funds, departments, agencies, offices and other organizations that are not legally separate are, for financial reporting purposes, part of the State or another entity's

primary government. Component units are legally separate organizations for which the State is financially accountable.

The financial activities of the State are organized on the basis of individual funds, each of which is a separate accounting entity segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with specific regulations, restrictions and limitations. Major funds are the focus of the State's financial statements and include the General Fund, the Road Fund, the Motor Fuel Tax Fund, the State Construction Account, the Unemployment Compensation Trust Fund, the Water Revolving Fund, and the Designated Account Purchase Program Fund. The reporting entity, major funds, and fund types are described in detail in Note 1 to the financial statements. To ensure readability of the financial statements, generally only funds with total assets, liabilities, fund equity, revenues or expenditures greater than 2% of the total for that fund type are presented separately in the individual fund financial statements, except component units where all units are presented, and special revenue funds where anything greater than .5% of the total is presented.

Combination of funds is necessary due to the existence of more than 700 funds in the State's reporting entity. Funds used by more than one agency are classified with what is determined to be the primary administering agency.

An organizational chart, showing the relationships between the Citizens of the State of Illinois, the three branches of Illinois State government and those of the various agencies, boards, commissions and universities which provide a full range of State government services, is presented on page I-16.

## **MAJOR INITIATIVES**

### ***Senior Care Program***

During June 2002, the State implemented a Senior Care Program based on a federal Medicaid

waiver. The program expanded drug coverage to approximately 150,000 senior citizens previously covered under the more restrictive Circuit Breaker Program.

### ***Early Retirement Incentive (ERI)***

On June 25, 2002, the Governor signed PA 92-566 that amended the Illinois Pension Code and created the ERI. The ERI allowed members of the State Employees' Retirement System (SERS) to purchase up to five years each of service and age enhancement and then leave State employment.

In general terms, the ERI gave members two options. If they met the ERI retirement eligibility requirements, they could retire between August 1, 2002 and January 1, 2003 using the age and service enhancement (Option 1). If they did not meet the ERI retirement eligibility requirements between August 1, 2002 and January 1, 2003, they could purchase ERI service, terminate employment by January 1, 2003 and receive retirement benefits when they become eligible at a future date (Option 2).

When a similar program was instituted in 1991, slightly more than 4,600 employees took advantage of it. The potential fiscal impact of this new ERI is uncertain at this time. However, SERS data shows that 21,367 employees were eligible and that the annual base salaries of those eligible totaled almost \$1.1 billion statewide. Of those eligible, 13,639 or 63.8% were paid from the General Revenue Fund with base salaries of \$670.5 million.

### ***Tax Changes***

Because of the rapidly deteriorating fiscal condition during fiscal year 2002, Illinois changed several taxes and reallocated some resources in an effort to provide some fiscal relief to the beleaguered General Revenue Fund.

Effective July 1, 2002, the State increased the cigarette tax by 40 cents per pack of 20 cigarettes. This increase is expected to raise

approximately \$235 million in fiscal year 2003, with the proceeds deposited in the Long-Term Care Provider Fund. This will have a two-fold impact on the General Revenue Fund. During fiscal years 2000 and 2001, \$160 million was transferred from the General Revenue Fund to the Long Term Care Provider Fund to help finance the State's portion of Medicaid payments to long-term care providers. The tax increase eliminated the need for this transfer. In addition, it allowed some Medicaid spending to be moved from the General Revenue Fund to the Long Term Care Provider Fund.

Legislation permanently reallocated 0.4% of sales tax collections (approximately \$27 million) from the Local Government Distributive Fund to the General Revenue Fund. In addition, 25% of the existing real estate transfer tax (approximately \$15 million) was reallocated to the General Revenue Fund.

Riverboat gambling taxes were increased and are expected to generate an additional \$135 million in fiscal year 2003. These new revenues will be transferred into the Education Assistance Fund and used to support spending for elementary and secondary education as well as higher education.

Legislation was also adopted to decouple the State's Income Tax law from the increased federal depreciation allowance provided by the Federal Job Creation and Workers Assistance Act of 2002. Without this action, Illinois corporate income tax liability could have been reduced by an estimated \$240 million.

In the spring of 2001, Congress overhauled the federal estate tax. While phasing out and repealing the tax over a ten year period, it phases out over four years and repeals the State death tax credit which is the basis for the State inheritance tax. Inheritance taxes are estimated to decline by \$39 million in fiscal year 2003.

### ***Short-term Borrowing***

In July 2002, the State took several actions to help alleviate the ongoing fiscal crisis. On July 1, 2002, \$226 million was transferred from the

Budget Stabilization Fund to the General Revenue Fund. The same day, \$156 million in "surplus" balances was transferred from 28 other State funds to the General Revenue Fund. In addition, Illinois borrowed \$1 billion in short-term notes with \$700 million deposited in the General Revenue Fund, \$150 million to the Long Term Care Provider Fund, and \$150 million to the Income Tax Refund Fund. Both the \$226 million from the Budget Stabilization Fund and the \$1 billion in short-term borrowing must be repaid by the end of fiscal year 2003.

### ***Receivables Reporting***

The Office of the Comptroller continues to establish and enforce measures to help reduce the amount of receivables owed to the State. Effective January 1, 1998, all debts that exceed \$1,000 and are more than 90 days past due are required to be reported in the Comptroller's Offset System. Prior to this date, only debts in excess of \$1,000 and more than 1 year past due were required to be reported. The new legislation enables the Comptroller's Office to intercept tax refunds and other payments that may otherwise be paid to the State's debtors. Due to stricter monitoring of State agency compliance, the Office of the Comptroller has effected the recovery of millions of dollars in fiscal year 2002.

### ***The Public Accountability Report of Service Efforts and Accomplishments (SEA)***

One of the priorities of this Comptroller is to improve the accountability of State governmental agencies to the public they serve by reporting on the efficiency, effectiveness, and outcomes of government programs. To this end the Comptroller has launched the Public Accountability Project which has instituted a process by which State agencies annually report on their performance in carrying out their statutory missions. The instrument for this process is Service Efforts and Accomplishments (SEA) Reporting as outlined by the Governmental Accounting Standards Board (GASB). The Office of the Comptroller is



working with the GASB to determine and set standards for this type of financial reporting. Illinois has been designated by the GASB as an official “experimentation site” for SEA reporting. The Illinois Public Accountability (SEA) Report is available upon request.

## **Internal Control**

Each State agency’s management is responsible for establishing and maintaining internal control designed to ensure that the assets of the State are protected from loss, theft or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The State’s internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

On October 31, 1989 the Fiscal Control and Internal Auditing Act (FCIAA) became law, requiring all State agency chief executive officers to annually certify the adequacy of internal controls in place within their agencies. The first annual certifications by State agency CEOs were due November 15, 1990. Subsequent certifications are due May 1<sup>st</sup> each year. The FCIAA also requires that certain agencies have a chief internal auditor with a specified minimum level of professional competency.

## **Budgetary Controls**

The Comptroller’s Statewide Accounting Management System (**SAMS**) provides the basis for receipt, expenditure and encumbrance reporting of all State treasury held funds with specific budgetary controls maintained on line-item expenditures for all appropriated funds. Appropriations (budget) and actual expenditure analysis for significant individual funds is

provided in the Budgetary Schedules section of this report.

The State of Illinois has a two-month “lapse period.” During this time, July 1 to August 31, State agencies can expend funds appropriated in the prior fiscal year if encumbered by June 30. For all fund types, goods or services received prior to June 30 are recorded as liabilities and expenditures or expenses, whichever is appropriate. For governmental fund types, lapse period expenditures for goods or services encumbered as of June 30 and received prior to August 31 are reported with other encumbrances as reservations of June 30 fund balances and not as liabilities or expenditures.

## **Investment Management**

The Illinois State Treasurer is responsible for investing all cash resources of the State, with the exception of those held by the retirement systems and certain debt service, enterprise, agency, universities’ endowments and other locally-held funds. Of the five retirement systems, three pool their resources for investment and two invest their resources under investment master trustee arrangements with individual investment managers. The universities are granted independent powers to invest their funds which are held outside the State Treasury. Interest income earned on the cash resources received and invested by the State Treasurer is allocated to the various funds (where specified by law) based on the average daily cash balances invested.

## **Cash Management**

The State of Illinois’ daily activities are operated on a “cash basis,” where bills are paid with the available balances of cash on hand. As chief fiscal officer of the State of Illinois, the Comptroller maintains the State’s central fiscal accounts and is responsible for ordering all payments into and out of the funds held by the State Treasurer. The State’s end-of-year cash balance dropped during fiscal year 2002 for the



second consecutive year. The General Fund's available balance at June 30, 2002 was \$256 million, \$870 million lower than the balance at June 30, 2001. The State's "cash basis" activity during fiscal year 2002 is discussed in more detail in the MD&A.

The General Fund includes the three school and General Revenue Fund accounts which administer about 40% of the State's annual expenditures. The General Revenue Account is also the State's basic operating fund, funding at least a portion of the operating budget of every major agency. Because of the sheer size of the General Revenue Fund, annual changes in the General Fund end-of-year available cash balance are usually governed by changes in the General Revenue Fund. For fiscal year 2002, \$683 million or 79% of the deterioration in the cash balance occurred in the General Revenue Fund.

## General Fund

Many State programs are accounted for in the General Fund. As analyzed in the MD&A, the State's GAAP basis financial position at June 30, 2002 worsened from fiscal year 2001. The *fund* deficit in the State's General Fund fell by \$1.941 billion on a GAAP basis (from a deficit \$1.365 billion, as restated, to a deficit \$3.306 billion). On the *budgetary basis*, there was a \$1.220 billion fund deficit at June 30, 2002 compared to a \$300 million balance at June 30, 2001, a \$1.520 billion decrease.

In addition, the *unreserved* fund deficit on a GAAP basis decreased by \$1.913 billion from a deficit of \$1.545 billion, as restated, to a deficit of \$3.458 billion. Expenditures and transfers-out exceeded revenues and transfers-in to the General Fund by \$1.941 billion in fiscal year 2002.

Unfortunately, there is no indication that an economic turnaround is imminent. In fact, available data continue to point towards a continued slide in revenues. At this time, there appears to be a strong likelihood that fiscal year 2003 revenues will actually drop for the second consecutive year. Even if spending slows markedly, the continuing weakness in revenues

and the need to set aside money for short-term borrowing repayments make it likely that cash flow difficulties will continue to worsen for the rest of the year.

## Risk Management

The State's risk management program encompasses a wide range of State government activities. Generally, the State has elected to retain most exposures to risk, with only limited purchase of commercial insurance. Among the exceptions are coverage for real property at the James R. Thompson Center in Chicago, the State Retirement Systems building, and the Regional State Office complex in Collinsville. Limited commercial coverage for personal property includes a small portion of the State's fleet of motor vehicles, certain telecommunications equipment, the fixed and rotary wing aircraft fleet, some State watercraft, selected items of electronic data processing equipment, a portion of the State's collection of fine art, as well as a small number of other property and liability exposures.

The State retains workers' compensation and auto liability exposures, including claims management. Other major retained risks include employee fidelity and surety, as well as general liability. The State's risk management program also includes legal representation and indemnification of employees sued for violation of civil and constitutional rights and other tort liabilities while acting in an official capacity.

## Independent Audit

The Illinois Auditor General has performed an audit of the accompanying basic financial statements in accordance with generally accepted auditing standards and *Government Auditing Standards* issued by the Comptroller General of the United States. His unqualified opinion appears at the beginning of the financial section of this report. In addition, the Illinois Auditor General is conducting an Audit pursuant to the requirements set forth in the Federal Single Audit Act Amendments of 1996 and the related U.S. Office of Management Budget Circular A-133,

## **Certificate of Achievement**

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting (“Certificate”) to the State of Illinois for its comprehensive annual financial report (“CAFR”) for the fiscal year ended June 30, 2001. This is the eighteenth consecutive year that the State has received this prestigious award in governmental financial reporting. In order to be awarded a Certificate, the State of Illinois published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. As this current comprehensive annual financial report is expected to meet the Certificate of Achievement Program’s requirements, it is being submitted to the GFOA to determine its eligibility for another certificate.

## **Acknowledgments**

The preparation of the State’s Comprehensive Annual Financial Report was made possible by the due diligence of my staff, the Auditor General’s Office and all State agencies who submitted timely information during this year’s GAAP financial statement process. Their hard work and dedication has resulted in an excellent financial report of which we can be proud. I express my gratitude to all of those involved for this tremendous cooperative effort.

Sincerely,

Daniel W. Hynes  
Comptroller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2001

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



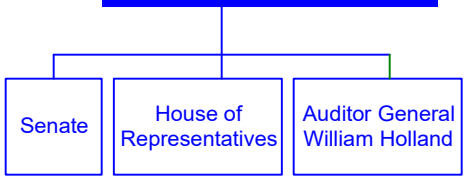
*William Patrick Vate*  
President

*Jeffrey L. Esser*  
Executive Director



Citizens  
of  
Illinois

## Legislative Branch



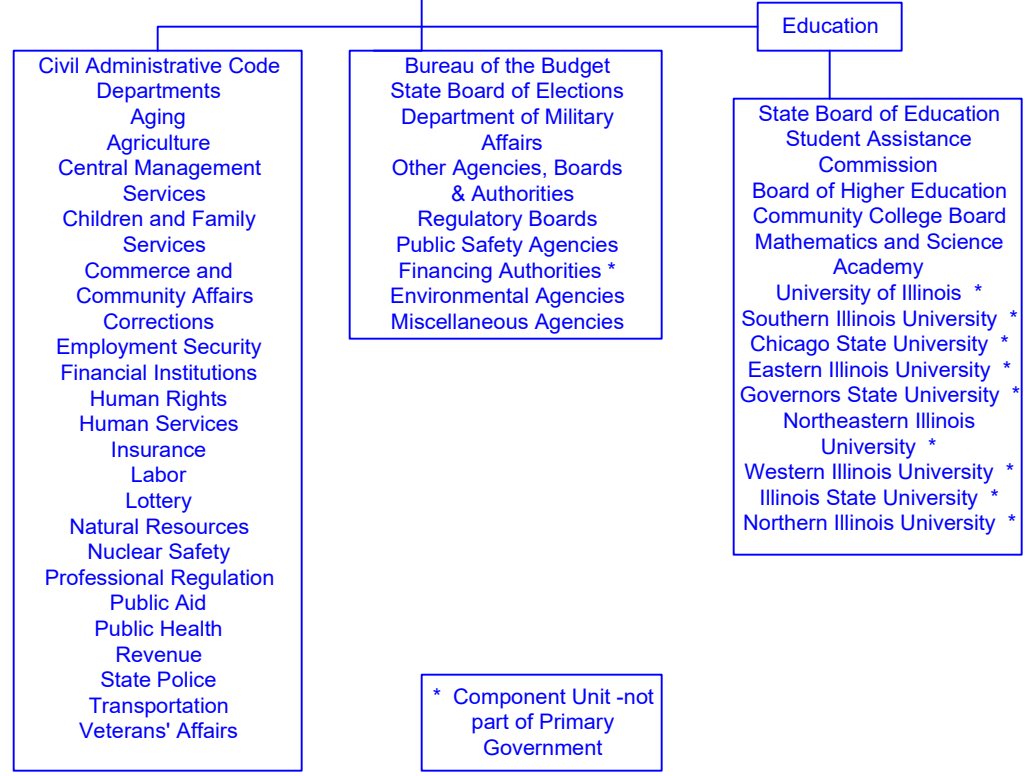
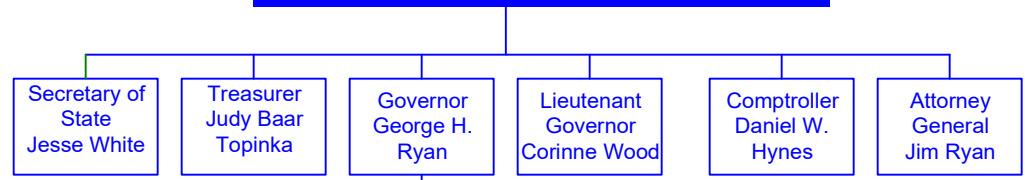
### Legislative Support Agencies

- Joint Committee on Administrative Rules
- Economic and Fiscal Commission
- Commission on Intergovernmental Cooperation
- Legislative Audit Commission
- Legislative Information System
- Legislative Printing Unit
- Legislative Reference Bureau
- Legislative Research Bureau
- Legislative Space Needs Commission
- Pension Laws Commission

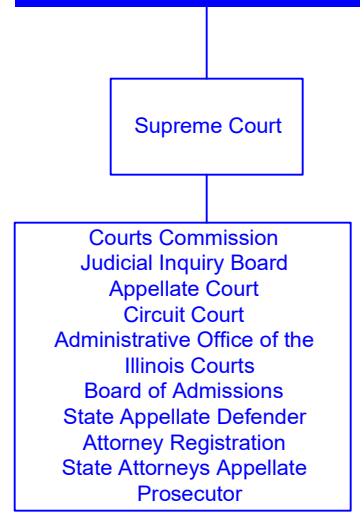
### Pension Systems

- General Assembly Retirement System
- Judges' Retirement System
- State Employees' Retirement System
- State Universities Retirement System
- Teachers' Retirement System

## Executive Branch



## Judicial Branch





STATE OF ILLINOIS  
WILLIAM G. HOLLAND  
AUDITOR GENERAL  
**Independent Auditors' Report**

Honorable Emil Jones, Jr., President of the Senate  
Honorable Michael J. Madigan, Speaker of the House  
Members of the General Assembly  
Honorable Rod Blagojevich, Governor  
Honorable Daniel W. Hynes, Comptroller

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of and for the year ended June 30, 2002, which collectively comprise the State of Illinois' basic financial statements as listed in the foregoing table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Illinois, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1 to the financial statements, the State of Illinois adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*; GASB Statement No. 35, *Basic Financial Statements – and Management's*

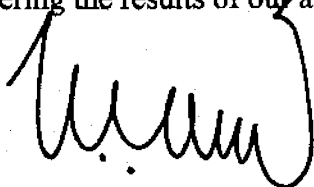
*Discussion and Analysis – for Public College and Universities; GASB Statement No. 37, Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments: Omnibus; GASB Statement No. 38, Certain Financial Statement Note Disclosures; and GASB Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements, effective July 1, 2001.* This resulted in changes to the format and content of the financial statements.

The management's discussion and analysis, budgetary comparison schedule and related notes – major governmental funds, and the pension trust funds – schedule of funding progress are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

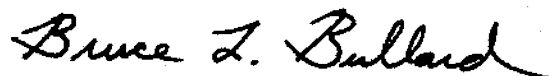
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois' basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical and economic section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical and economic section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on them.

In accordance with *Government Auditing Standards*, a report on our consideration of the State of Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants will be issued under a separate cover. That report, upon its issuance, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



WILLIAM G. HOLLAND  
Auditor General  
State of Illinois



BRUCE L. BULLARD, CPA  
Director of Financial and Compliance Audits  
Office of the Auditor General

Springfield, Illinois  
April 15, 2003



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of the State of Illinois' (the State's) financial performance, providing an overview of the activities for the fiscal year ended June 30, 2002. Please read it in conjunction with the transmittal letter and with the State's financial statements, which follow this section. Because fiscal year 2002 represents the first year in which the State implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis provides few comparisons of financial information with the previous year. The discussion and analysis in future reports will include such comparisons.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the State's basic financial statements, which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition, this discussion and analysis also contains information on other supplementary information included in this report.

For the first time, this report includes government-wide financial statements as required by GASB Statement No. 34.

### **Government-wide Statements (Reporting the State as a Whole)**

The Statement of Net Assets and the Statement of Activities are two financial statements that report information about the State, as a whole, and about its activities. These statements include all non-fiduciary assets, liabilities, revenues and expenses using the accrual basis of accounting.

The Statement of Net Assets (page 21) presents all of the State's non-fiduciary assets and liabilities, with the difference between the two reported as "net assets". Over time, increases and decreases in net assets measure whether the State's financial position is improving or deteriorating.

The Statement of Activities (pages 22 and 23) presents all of the State's non-fiduciary revenues and expenditures, with the difference showing how the State's net assets changed during the current fiscal year. All changes in net assets are reported as soon as the underlying events giving rise to the change occur, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and unused accrued absences).

Both statements report three activities:

- *Governmental Activities* – Most of the State's basic services are reported under this category. Taxes and intergovernmental revenues generally fund these services. The Legislature, the Judiciary, Elected Officials and the general operations of the Executive departments fall within the governmental activities.
- *Business-type Activities* – The State charges fees to customers to help it cover all or most of the cost of certain services provided by the State. Lottery tickets and the State's unemployment compensation services are examples of business-type activities.
- *Discretely Presented Component Units* – Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The State has 12 authorities, 9 universities and 10 other organizations that are reported as discretely presented component units of the State.



Included within the basic financial statements are two schedules (pages 25 and 27) that reconcile the amounts reported on the governmental fund financial statements (modified accrual accounting) with governmental activities on the appropriate government-wide statements (accrual accounting). Modified accrual accounting focuses on the current financial resources which are the resources available for spending in the near future (defined by the State as 60 days). Accrual accounting reports the total economic resources similar to a private-sector business. The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds statements.
- Prepaid expenses for governmental activities are current uses of financial resources of funds and therefore are not reported in the governmental funds statements.
- Deferred issuance costs are capitalized and amortized as governmental activities, but reported as expenditures in the governmental funds statements.
- Certain revenues that are earned, but not available, are reported as revenues of governmental activities, but are reported as deferred revenue on the governmental funds statements.
- Unless due and payable, long-term liabilities, such as capital lease obligations, compensated absences, certificates of participation, net pension obligation, bonds and notes payable appear as liabilities in the government-wide statements but are not reported in the governmental funds statements.
- Internal service funds are reported as governmental activities, but reported as proprietary funds in the fund financial statements.
- Capital outlay spending results in recording capital assets on the government-wide statements, but is reported as expenditures on the governmental fund statements.
- Bond and note proceeds result in liabilities on the government-wide statements, but are recorded as other financing sources on the governmental fund statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements, but are reported as expenditures on the governmental funds statements.

The Notes to the Basic Financial Statements provide additional information that is integral to understanding the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 38 of this report.

### **Fund Financial Statements (Reporting the State's Major Funds)**

The fund financial statements begin on page 24 and provide more detail than the government-wide financial statements concentrating on information about the major individual funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts that the State uses to keep track of specific sources of funding and spending for a particular purpose. In addition to the major funds, individual fund data for the non-major funds is presented beginning on page 105. The State's funds are divided into three categories – governmental, proprietary, and fiduciary – with each using a different accounting method.

- *Governmental funds* – Most of the State's basic services are reported in the governmental funds, which focus on how monies flow into and out of those funds and the balances left at year-end that are available for future spending. The governmental fund financial statements provide a detailed short-term view of the State's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the State's programs. Governmental funds are reported using *modified accrual* accounting, which measures assets of cash and all other financial

assets that can readily be converted to cash and liabilities that are due in the current period. Governmental funds include the General Fund and special revenue, capital project, debt service and permanent funds.

- *Proprietary funds* – When the State charges customers for the services it provides, whether to outside customers or to other agencies within the State, these services are generally reported in proprietary funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method used by private sector businesses. Enterprise funds report activities that provide supplies and services to the general public. An example is the State Lottery Fund. Internal service funds report activities that provide supplies and services for the State’s other programs and activities such as the State’s Communications Revolving Fund. Internal service funds are reported as governmental activities on the government-wide statements.
- *Fiduciary funds* – The State acts as a trustee or fiduciary, for its employee pension plans. The State is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The State’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets beginning on page 31. These funds, which include pension (and other employee benefit), private-purpose trust, investment trust and agency funds, are reported using accrual accounting. The government-wide statements exclude fiduciary fund activities and balances because these assets are restricted in purpose and do not represent discretionary assets of the State to finance its operations.

### **Additional Required Supplementary Information**

Following the basic financial statements is additional Required Supplementary Information that further explains and supports the information in the financial statements. The Required Supplementary Information includes budgetary comparison schedules reconciling the statutory and generally accepted accounting principles (GAAP) fund balances at fiscal year-end, and funding progress of the State’s retirement systems.

### **Other Supplementary Information**

Other supplementary information includes two components: 1) combining financial schedules for non-major governmental, proprietary and fiduciary funds and non-major discretely presented component units and 2) combining budgetary schedules of non-major funds. The schedules present by fund category, and then by fund type, the amounts presented in the non-major funds column in the fund financial statements.

## **FINANCIAL ANALYSIS OF THE STATE**

The State’s combined net assets decreased \$4.828 billion during the current fiscal year. The net assets of the State’s governmental activities decreased \$4.204 billion or 83.2% and the net assets of the State’s business-type activities decreased \$624 million or 16.9%. The following condensed financial information was derived from the government-wide Statement of Net Assets and reflects the State’s financial position as of June 30, 2002:

<b>Net Assets as of June 30, 2002</b> (in millions of dollars)			
	<b>Governmental</b> <b>Activities</b>	<b>Business-type</b> <b>Activities</b>	<b>Total</b>
Assets:			
Current and other non-current assets	\$ 8,551	\$ 6,363	\$ 14,914
Capital assets	15,943	4	15,947
Total assets	24,494	6,367	30,861
Liabilities:			
Other liabilities	7,702	230	7,932
Long-term liabilities	26,049	3,064	29,113
Total liabilities	33,751	3,294	37,045
Net assets:			
Invested in capital assets, net of related debt	11,138	4	11,142
Restricted	1,597	2,891	4,488
Unrestricted	(21,992)	178	(21,814)
<b>Total net assets</b>	<b>\$ (9,257)</b>	<b>\$ 3,073</b>	<b>\$ (6,184)</b>

The State's largest asset is its capital assets (land, buildings, equipment, infrastructure, and others). The largest liability is its long-term liabilities including net pension obligation and bonds payable obligation. The largest component of the State's net assets reflects the State's investment in capital assets, less any related debt that was recorded to acquire or construct the assets. Restricted net assets consists of resources subject to external restrictions or enabling legislation on how they can be used. The remaining portion, unrestricted net assets, may be used at the State's discretion.

The following condensed financial information was derived from the government-wide Statement of Activities and reflects the State's decrease in net assets during the current fiscal year:

**Changes in Net Assets**  
**for Fiscal Year Ending June 30, 2002**  
(in millions of dollars)

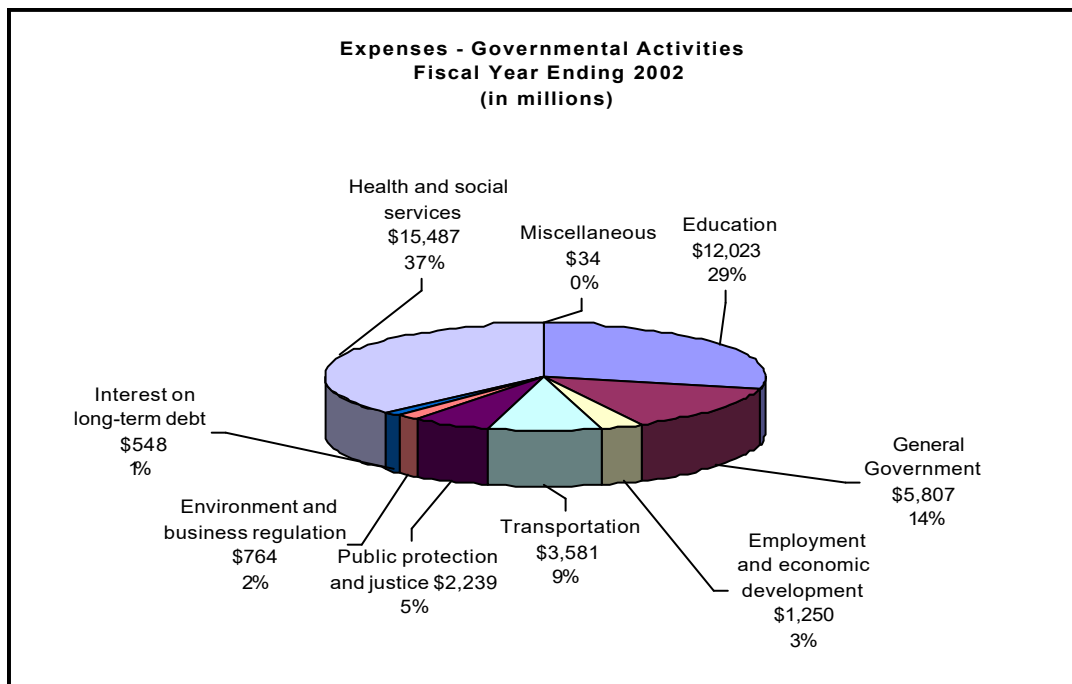
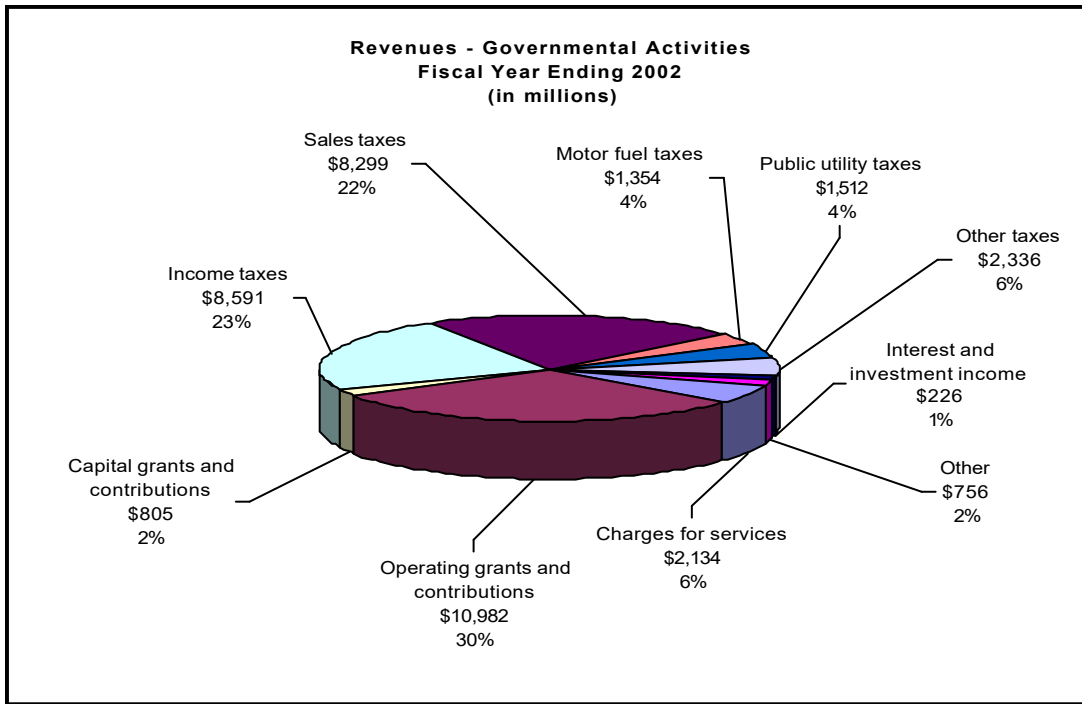
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Revenues</b>			
Program revenues			
Charges for services	\$ 2,134	\$ 3,563	\$ 5,697
Operating grants and contributions	10,982	511	11,493
Capital grants and contributions	805		805
General revenues			
Income taxes	8,591		8,591
Sales taxes	8,299		8,299
Motor fuel taxes	1,354		1,354
Public utility taxes	1,512		1,512
Other taxes	2,336		2,336
Interest and investment earnings	226	89	315
Miscellaneous	756		756
<b>Total revenues</b>	<b>36,995</b>	<b>4,163</b>	<b>41,158</b>
<b>Expenses</b>			
Health and social services	15,487		15,487
Education	12,023		12,023
General government	5,807		5,807
Employment and economic development	1,250		1,250
Transportation	3,581		3,581
Public protection and justice	2,239		2,239
Environment and business regulation	764		764
Unemployment compensation fund		2,667	2,667
Water revolving fund		9	9
Designated account purchase program fund		105	105
Lottery		1,034	1,034
Other business-type activities		438	438
Interest	548		548
Miscellaneous	34		34
<b>Total expenses</b>	<b>41,733</b>	<b>4,253</b>	<b>45,986</b>
Excess (deficiency) before transfers	(4,738)	(90)	(4,828)
Transfers	534	(534)	-
<b>Increase (decrease) in net assets</b>	<b>(4,204)</b>	<b>(624)</b>	<b>(4,828)</b>
Net assets - beginning - restated	(5,053)	3,697	(1,356)
Net assets - ending	<u><u>\$ (9,257)</u></u>	<u><u>\$ 3,073</u></u>	<u><u>\$ (6,184)</u></u>

### **Governmental Activities:**

Governmental activities of the State are financed primarily through taxes collected. The functions reported for governmental activities consist of the following:

- *Health and social services* – The health and social services function consists of programs such as Medicaid, Temporary Assistance for Needy Families (TANF) and Child Support Enforcement which are administered mostly by the Department of Public Aid, the Department of Human Services and the Department of Children and Family Services.
- *Education* – The education function *consists* of support for local public school districts and post-secondary institutions administered mostly by the State Board of Education, the State Board of Higher Education and the Illinois Community College Board.
- *General government* – The general government consists of the day-to-day operations of the State performed mostly by the *Elected* Officials, Members of the General Assembly, the Department of Central Management Services and the Department of Revenue.
- *Employment and economic development* – The employment and economic development function consists of job training for citizens and support for the growth of public sector commerce administered mostly by the Department of Commerce and Community Affairs.
- *Transportation* – The transportation function consists of support for building and maintaining infrastructure capital assets *owned* by the State and owned by local governments of the State which is administered mostly by the Department of Transportation.
- *Public protection and justice* – The public protection and justice function consists of law enforcement functions of the State and other public safety regulatory programs performed mostly by the Department of Corrections and the Department of State Police.
- *Environment and business regulation* – The environment and business regulation function consists of regulation of the environment of the State and regulation of various business types in the State performed mostly by the Environmental Protection Agency, the Department of Commerce and Community Affairs, the Department of Natural Resources, the Department of Financial Institutions, the Department of Insurance and the Department of Labor.

The following charts display revenues and expenses of the State for governmental activities during the fiscal year:



## Business-type Activities:

Net assets of business-type activities decreased \$624 million during the fiscal year. The main factor contributing to this decrease was the \$1.2 billion increase in claims for unemployment in fiscal year 2002.

This increase in claims expense was offset in part, by federal contributions to the Unemployment Compensation Trust Fund.

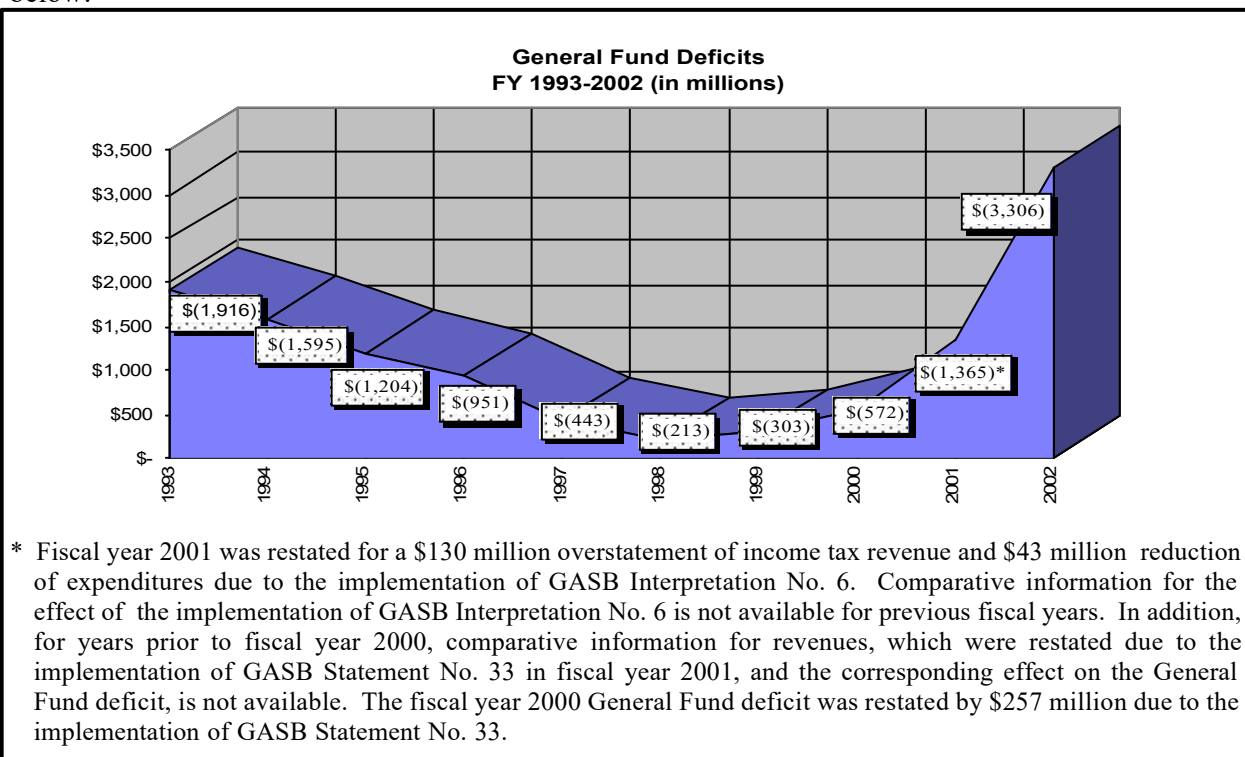
## FINANCIAL ANALYSIS OF THE STATE'S MAJOR GOVERNMENTAL FUNDS

### General Fund

The General Fund accounts for resources obtained and used for those services traditionally provided by the State which are not required to be accounted for in another fund. Accordingly, the majority of the State's tax revenues and program support expenses are accounted for in the General Fund. For financial reporting purposes, the General Fund consists of several funds of the State which are described on page 105. For budgetary purposes, the General Funds consist of the General Revenue Fund, Special Account Fund, Education Assistance Fund and Common School Fund Accounts.

During fiscal year 2002, the State's budgetary (cash basis) financial position deteriorated for the second consecutive year. When the books were closed on the year, the General Funds budgetary fund balance stood at a record *deficit* of \$1.220 billion compared to a \$300 million *surplus* recorded in fiscal year 2001. The \$1.520 billion drop in the budgetary fund balance is the biggest single-year swing on record and more than three times larger than last year's \$477 million decline.

At the same time, the State's General Fund GAAP balance fell for the fourth consecutive year, dropping from a *deficit* of \$1.365 billion, as restated, in fiscal year 2001, to a record *deficit* of \$3.306 billion. This \$1.941 billion drop is more than two times higher than last year's \$793 million deterioration, as shown below:





Under both the budgetary and GAAP measures, expenditures exceeded revenues. On a budgetary basis, General Funds spending from fiscal year 2002 appropriations of \$24.899 billion exceeded revenues of \$23.379 billion. On a GAAP basis, expenditures and other uses of financial resources of \$26.742 billion exceeded revenues and other sources of financial resources of \$24.801 billion.

One of the major factors that impact the State's financial well-being is the economy. For most of the period since fiscal year 1992, the economy's performance has been nothing short of remarkable. Since 1997, the surging economy has produced numerous fiscal high points, including record annual revenue growth, record end-of-month balances, and record end-of-year balances. This string of fiscal milestones came to an end in fiscal year 2001, however, as economic activity slowed and cash-flow problems emerged for the first time since the end of fiscal year 1997. Those problems intensified significantly in fiscal year 2002 and continue into fiscal year 2003.

During fiscal year 2002, the State's General Funds turned in its worst performance on record, surpassing the previous lows set during the financial difficulties that spanned fiscal years 1991-1997. Available data indicate that a recession was already well underway in Illinois as the state began fiscal year 2002. It also appears that the tragic events of September 11, 2001 exacerbated an already troublesome economic and fiscal situation.

Over the first quarter of the fiscal year, General Funds total revenues were \$296 million below the prior year with wide-spread weakness in most revenue sources. Although revenue fell dramatically, spending demands continued to grow. As a result, cash flow difficulties emerged in late August. This marked the first time since 1995 that payment delays surfaced so early in the year.

As fiscal year 2002 progressed, the General Funds budgetary financial condition worsened considerably as revenues declined in nine out of the twelve months and in each of the last six months of the year. For the year, "base" revenues (total revenues minus rainy day dollars) were \$727 million or 3.0% below fiscal year 2001 and over \$1.6 billion below the original estimates for fiscal year 2002. The year-over-year revenue decline was led by sources tied directly to economic activity. Hammered by falling employment (nonagricultural employment down 82,000 jobs), declining wage and salary income (down 0.1%), and a free-falling stock market, personal income tax receipts dropped \$525 million. At the same time, the weakening economy and falling profits reduced corporate income tax revenues by \$233 million.

Efforts to reduce spending appear to have had little effect and payment delays plagued the General Funds for nearly the entire fiscal year. Unpaid bills reached as high as \$1.4 billion in mid-April and delays reached as much as 35 days in mid-June. At the end of June, the General Funds cash balance was \$256 million, or \$870 million less than what was in the bank at the end of fiscal year 2001. The dramatic drop in the cash balance was concentrated in the General Revenue Fund Account (GRF) where the cash balance dropped from \$683 million to \$0 over the year, accounting for nearly 79% of the drop in the General Funds balance. In addition to the lack of a balance on June 30, 2002, there were \$781 million in bills on hand that could not be paid. The resulting effective GRF balance (available cash less unpaid bills) was almost \$1.5 billion below last year's ending balance.

Since \$781 million was carried over to July, fiscal year 2002 lapse period spending jumped to \$1.476 billion, the highest ever. The budgetary balance also reached a record deficit of \$1.220 billion. At the same time, the GAAP deficit soared to \$3.306 billion.

At the beginning of fiscal year 2003 the State entered into a \$700 million short-term loan to increase the GRF, transferred \$156 million in surplus money from other funds, and transferred \$226 million from the

Budget Stabilization Fund. These revenues were used to pay bills carried over from June and to relieve a backlog of Medicaid bills. After less than a week, GRF payment delays began to accumulate again. In addition to GRF, \$150 million was borrowed for the Long-Term Care Provider Fund Account and \$150 million was borrowed for the Income Tax Refund Fund for a total short-term loan of \$1 billion.

Unfortunately, the economy has continued to falter, and at the end of the first half of fiscal year 2003, the State's GRF was still experiencing severe cash flow difficulties with more than \$1.4 billion in unpaid bills. Without the one-time infusion of more than \$1 billion in July, the GRF backlog would have been almost \$2.5 billion.

The fiscal year 2003 budget was predicated on "base" revenue growth of \$1.006 billion or 4.3%. However, growth through the first half of the year amounts to only 1.6% and includes weakness in the major sources tied most directly to the economy (personal income tax down 0.6%, corporate income tax down 16.1%, and sales taxes up 0.1%).

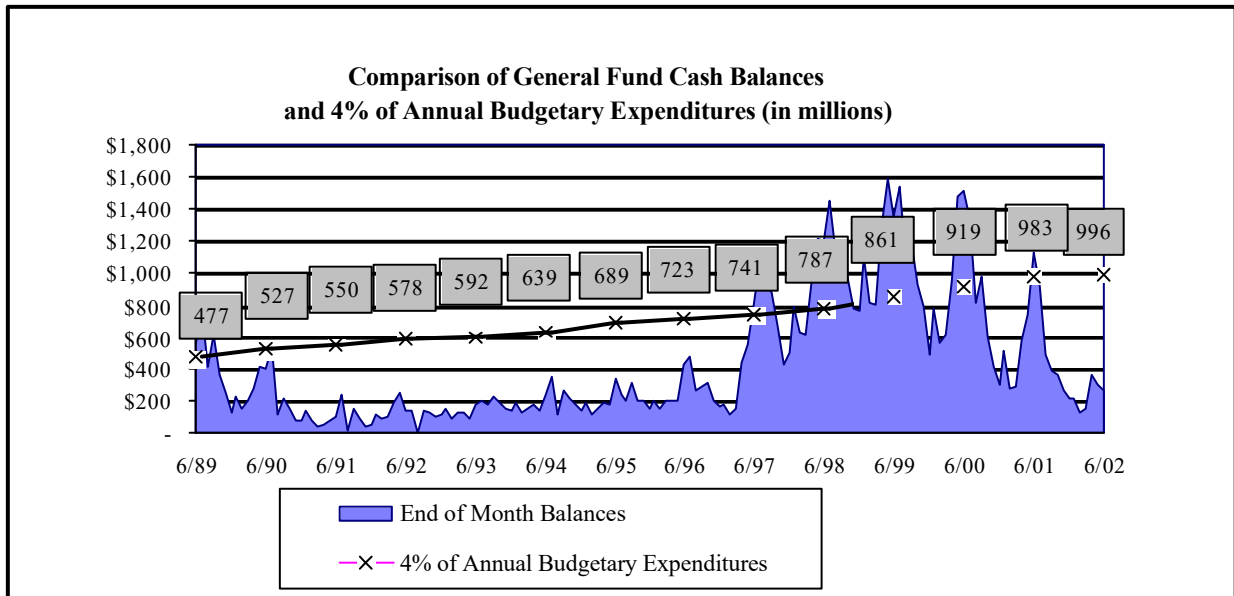
The State's cash flow over the rest of fiscal year 2003 will depend heavily on the performance of the economy and revenue sources tied most directly to economic activity. There does not appear to be any reason to believe that recovery will start soon enough to generate the magnitude of economic activity necessary to reach the current revenue estimates. Given the fact the employment levels continued to decline through December 2002 (manufacturing down more than 40,000 jobs and total nonagricultural employment down more than 55,000), there appears to be more reason to think that fiscal year 2003 revenues might fall below last year, marking the second consecutive annual decline. Even if employment picks up, it seems clear that personal income tax withholding and sales taxes cannot rebound enough to keep payment delays from growing worse, especially given the short-term borrowing and Budget Stabilization Fund repayment requirements.

The factors that determine the GAAP balance include accrued liabilities payable from future year's appropriations. One of the largest components of those liabilities is Section 25 deferrals. After falling substantially from 1995 through 1997, Section 25 deferred liabilities increased in each of the last five years reaching \$752 million in 1998, \$894 million in 1999, \$1.075 billion in 2000, \$1.118 billion in 2001, and \$1.436 billion in 2002 - the third consecutive year that these deferrals have exceeded \$1.0 billion. The \$318 million growth in 2002 included a \$260 million increase under the State's Medicaid program and a \$58 million increase under the group health insurance program for employees, retirees, and their dependents administered by the Department of Central Management Services.

Historically there appears to be a pronounced relationship between the State's financial position and Section 25 deferred liabilities. In fiscal years 1999 and 2000 the deterioration in the GAAP balance was not as large as was indicated by the growth of those liabilities. This was due to the economy's ability to exert enough positive influence to counteract the negative impact of the deferrals.

However, in fiscal year 2002, the recessionary economy caused the GAAP balance to decrease significantly more than the \$318 million increase in the Section 25 deferred liabilities. On the GAAP basis, income tax collections decreased by \$970 million, interest and investment income decreased by \$158 million, and other revenue types combined decreased by \$396 million from a fiscal year which had a General Fund loss of \$793 million. This decrease in revenues was the major contributor to the change in asset and liability balances as non-Section 25 expenditures and transfers-out decreased by \$296 million compared to fiscal year 2001. Asset balances of cash decreasing by \$465 million, investments decreasing \$230 million, and due from other funds decreasing \$205 million coupled with held vouchers (shown as accounts payable) increasing by \$770 million in the General Fund as compared to fiscal year 2001 resulted from the decrease in revenues.

In evaluating the fiscal health of governments, it is generally held that the ability to maintain working balances in the range of 4%-5% of annual budgetary expenditures indicates a strong fiscal position. As evident in the chart below, the State's General Funds budgetary cash balance at the end of June 2002 (\$256 million) was, in fact, far below the 4% threshold. The chart also shows the rapid deterioration in end-of-month balances over the last two years when measured against the recommended threshold.



### Road Fund

The Road Fund incurred a \$68 million loss in the current year and has a \$831 million fund balance. The current year loss was caused mainly by the receipt of less federal reimbursements than expected. As in the General Fund, the Road Fund has an unreserved fund balance deficit of \$327 million.

### Motor Fuel Tax Fund

The Motor Fuel Tax Fund ended fiscal year 2002 with a \$110 million dollar fund balance (all unreserved) after incurring a \$5 million dollar loss, which was slightly less than the budgeted \$12 million dollar loss.

### State Construction Account

The State Construction Account's fund balance decreased \$144 million in fiscal year to an ending fund balance of \$235 million. This loss was \$28 million more than the \$116 million budgeted loss and can be attributed to a decrease in amounts receivable from other funds for fee allocations at the end of the fiscal year. The unreserved portion of the State Construction Account's fund balance is a deficit of \$257 million.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

At June 30, 2002, the State had \$15.947 billion in capital assets net of accumulated depreciation in the following categories:

<b>Capital Assets as of June 30, 2002</b> <b>(net of depreciation, in millions of dollars)</b>			
	Governmental Activities	Business-type Activities	Total
Land and land improvements	\$ 2,189		\$ 2,189
Site improvements	306		306
Buildings and building improvements	2,021	\$ 1	2,022
Equipment	314	3	317
Infrastructure	10,806		10,806
Other	40		40
Subtotal	15,676	4	15,680
Construction in progress	267		267
<b>Total</b>	<b>\$ 15,943</b>	<b>\$ 4</b>	<b>\$ 15,947</b>

Under the new reporting model used with the implementation of GASB Statement No. 34, infrastructure capital assets are included in the State's basic financial statements for the first time. These infrastructure assets consist of 68% of the State's net capital assets and compromise \$1.245 billion of the \$1.795 billion (68%) of the current year additions to capital assets. The State capitalizes and depreciates its roads and road improvements over a twenty year period and its bridges over a forty year period. More detailed information regarding the State's capital assets is represented in Note 7 of the financial statements on page 65.

### Debt Administration:

#### Bonded Indebtedness

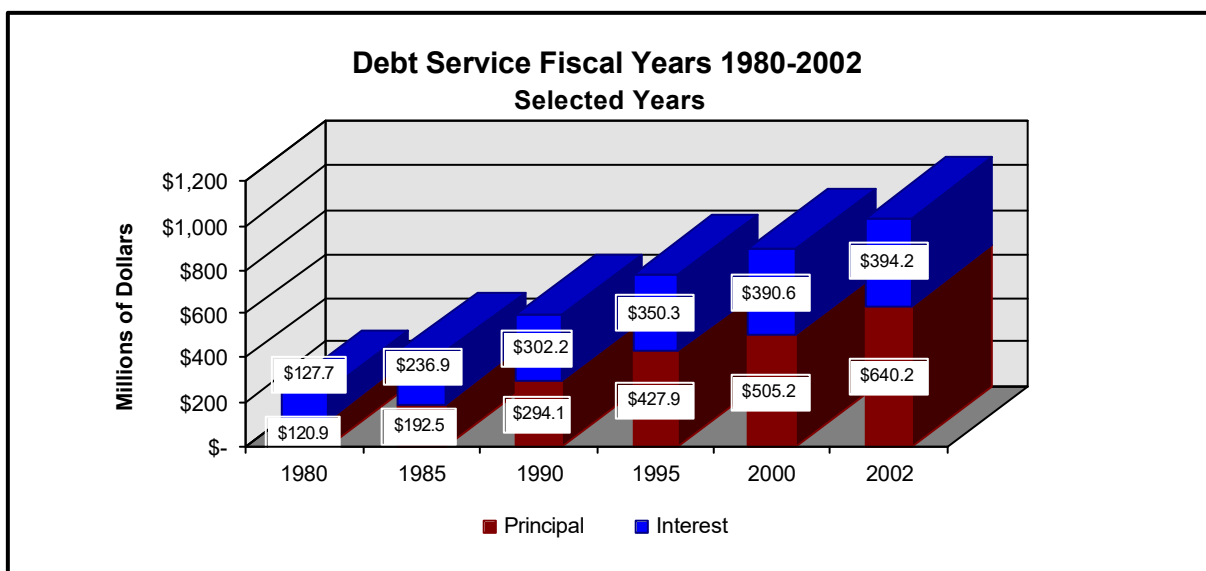
The State, certain State agencies and component units of the State are empowered by law to authorize, issue and sell debt obligations. General obligation bonds, issued by the State, are backed by the full faith and credit of the State and are considered a direct debt of the State. Special obligation bonds are also considered direct debt of the State but are not backed by the full faith and credit of the State. Rather, special obligation bonds are supported and repaid only by a dedicated State revenue source. Revenue bonds are not backed by the full faith and credit of the State but are backed by a specific revenue stream. Some revenue bonds can be considered moral obligation debt which means that if resources from the specified revenue stream are insufficient to support the debt service, the State is then obligated. Also, some revenue bonds are classified as indirect debt which means that the asset is the property of a local government but part of the payment of the debt service comes from State resources. Lastly, some revenue bonds can be considered conduit debt which implies no obligation for the State. More detailed information regarding the State's long-term debt obligations is presented in Notes 9, 10 and 11 of the financial statements beginning on page 69.

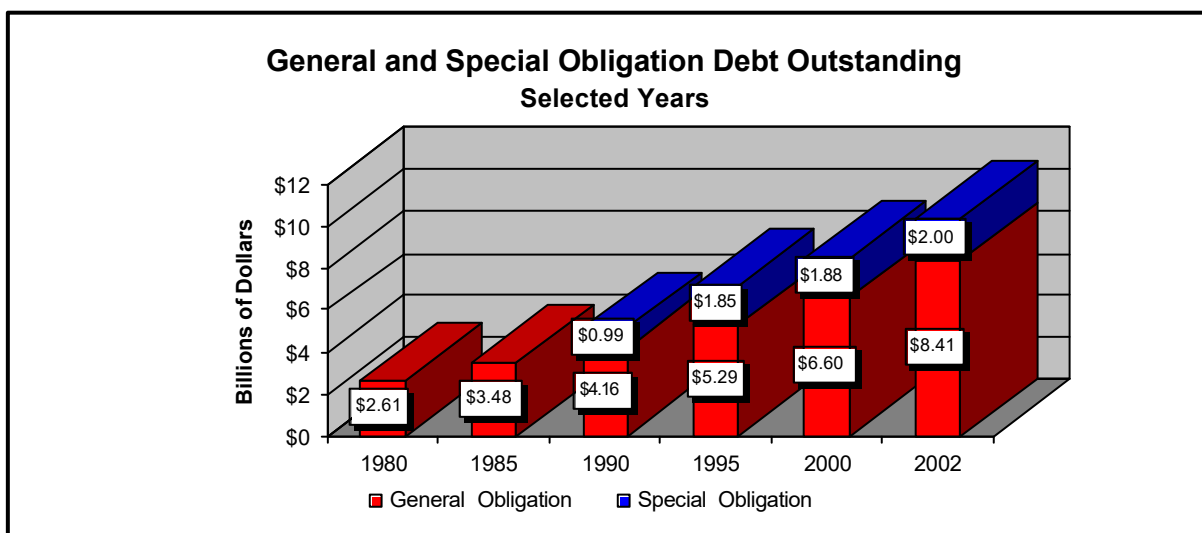
During the fiscal year ending June 30, 2002, the State issued general obligation bonds totaling \$1.9 billion including \$398.5 million to pay off amounts outstanding on previously issued bonds that carried higher interest costs. In addition, the State issued special obligation bonds totaling \$405.6 million including \$255.6 million to pay off amounts outstanding on previously issued bonds that carried higher interest costs. Lastly, the State issued revenue bonds totaling \$1.4 billion including \$166.1 million to pay off amounts outstanding on previously issued bonds that carried higher interest costs.

Outstanding Bonded Debt as of June 30, 2002 (in millions of dollars)			
<u>Primary Government</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General obligation bonds (backed by the State)	\$ 8,405		\$ 8,405
Special obligation bonds (backed by specific fee revenue)	2,003		2,003
Revenue bonds (backed by specific tax and fee revenue)		\$ 2,651	2,651
<b>Total</b>	<b>\$ 10,408</b>	<b>\$ 2,651</b>	<b>\$ 13,059</b>

Among the states, Illinois is a moderate debt state with outstanding general and special obligation bonds at June 30, 2002 totaling \$10.408 billion. Bonds have been issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes, and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal and alternative energy sources.

General and special obligation bonds, excluding refunding bonds, aggregating \$1,500.0 million and \$150.0 million, respectively, were issued during fiscal year 2002 at average interest rates ranging from 3.0% to 6.0%. Debt service principal and interest costs of \$640.2 million and \$394.2 million, respectively were paid in fiscal year 2002. The dramatic increase since fiscal year 1980 is displayed in the following chart:





In addition to general and special obligation bonds, the primary government has \$2.650 billion of revenue bonds, \$100.3 million of notes payable and \$1.323 billion of other long-term obligations outstanding as of June 30, 2002.

The State's bond ratings are as follows:

General Obligation Bonds

Moody's Investors Service	Aa2
Standard & Poor's	AA
Fitch Ratings	AA+

Special Obligation Bonds-Build Illinois Bonds

Moody's Investors Service	Aa2
Standard & Poor's	AAA
Fitch Ratings	AA+

Special Obligation Bonds-Civic Center Bonds

Moody's Investors Service	A1
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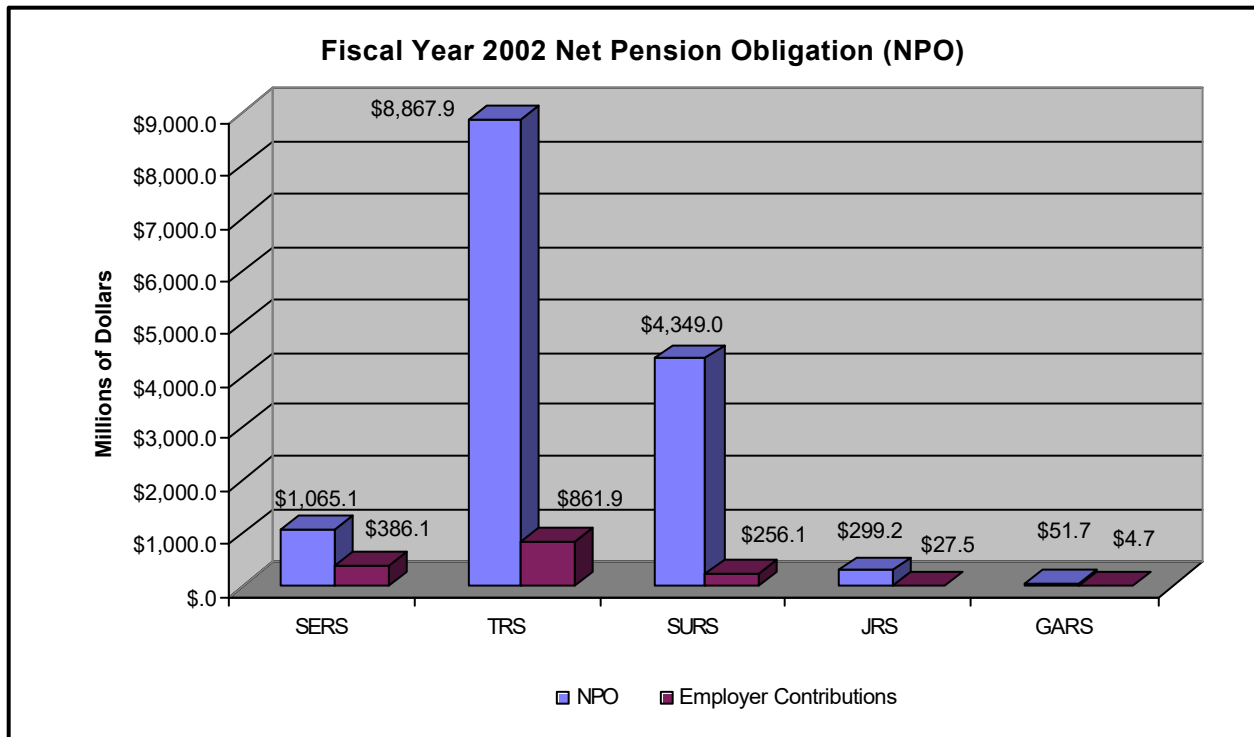
## Retirement Systems

Total net assets of the State's five pension trust funds, on a "fair value" basis, aggregated \$40.4 billion at June 30, 2002, a decrease of \$2.5 billion (6%) from the previous year. The State reports assets in the pension trust funds in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The statement requires, among other things, that assets be valued at *fair market value*.

The majority of the \$2.5 billion decrease in net assets can be explained by investments (at fair value) decreasing by \$3.4 billion due to net losses recorded during the year.

GASB Statement 27 focuses the reader of the State's CAFR on annual pension cost ("APC") in accordance with certain accounting parameters as compared to the amount contributed. The State retirement systems were underfunded by \$912.3 million during fiscal year 2002 and this amount has been added to the Net Pension Obligation (NPO) in the Statement of Net Activities as increased governmental activity expenses (See chart below). Of the \$912.3 million, \$612.3 million occurred at TRS where the APC was calculated to be \$1.5 billion and employer contributions were \$861.9 million.

During fiscal year 2002, all of the State systems were funded in accordance with the *statutory funding* requirement. The new law enacted in fiscal year 1996 provides for a 50-year funding plan with a 15 year phase-in and a “continuing appropriation.” The continuing appropriation provides the Comptroller’s Office with the authority to automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly’s appropriation process. However, the State’s 50-year funding plan does *not* meet the more stringent 40-year minimum amortization “parameters” required to be reported in the State’s financial statements in accordance with GASB Statement 27.



## ECONOMIC CONDITION AND OUTLOOK

Following nine consecutive years of economic growth, the Illinois economy entered a recessionary period during fiscal year 2002 whose impact was magnified following the September 11<sup>th</sup> tragedy. For the present, the slow down in business investment and the economies of our international trading partners as well as the surge in energy prices has more than offset the impact of continued strong consumer spending and relatively low interest rates in continuing the period of slow economic growth. Future performance of the economy depends on whether the promise that productivity enhancing new technology introduced as part of the information technology revolution will lead to a period of sustained growth comes true.

Fiscal year 2002 saw the Illinois economy lose 82,000 non-agricultural jobs (a 1.4% decline). As a result, the Illinois unemployment rate increased to 5.9% following five consecutive years of unemployment rates below 5%. This followed a period of steady employment growth as Illinois experienced an 828,000 or 15.9% employment increase between fiscal years 1992 and 2001. Fiscal year 2002 employment was still 746,000 or 14.6% greater than its decade earlier level. Illinois has many innovative aggressive businesses able to compete on an equal footing with competitors throughout the World who will be able to generate new jobs for Illinoisans when the economy revives.



Home to major exporters such as Caterpillar and Motorola, Illinois merchandise exports totaled \$31.8 billion during 2001 – sixth highest among the states. Illinois exports were down 1.4% in calendar 2001 due to a strong dollar and a weak world economy. Illinois exports were up 56.3% between 1993 and 2001 compared to a 57.3% increase in the value of total U.S. exports during this period.

Manufacturing exports are led by industrial machinery accounting for 24.8% of exports in 2001 followed by computers and electronic equipment accounting for 16.7%. The next four largest manufacturing export sectors were chemical products (14.5%), electrical equipment, appliances, and components (6.9%), transportation equipment (6.9%), and food products (5.5%).

Illinois ranked fifth in agricultural export sales in 2001 with total agricultural exports valued at \$3.1 billion up almost \$100 million or 2.7% from the prior year. Specialization in corn and soybean production is reflected in Illinois' rank as the second largest exporter of each crop. The tightest grain and oilseed supplies in several years are boosting prices and forcing adjustments for end users. Despite healthier prices, the uncertainty facing the farm sector has tempered the recovery for Illinois' farm supply, equipment, and support industries.

Illinois' success in the competitive world market has been based on technical expertise and a strong resource base rather than low labor costs as the state has maintained its position as one of the country's wealthiest states. Illinois per capita income during fiscal year 2002 stood at \$33,205, 7.7% or \$2,400 greater than the national average.

The Illinois economy takes advantage of its many natural strengths. During 2001, the State was the second largest producer of corn and soybeans and the fourth largest producer of hogs. Illinois agri-business has developed to add value to these products. Illinois is the number one ethanol producer among the states. With such major Illinois companies as Archer Daniels Midland and A.E. Staley (both headquartered in Decatur, the soybean capital of the world), Illinois produces a wide variety of specialized products based on corn and soybeans.

Illinois continues to be home to major producers of heavy equipment. Examples include agricultural equipment (such as the Deere plants in the Quad Cities), construction equipment (Caterpillar, which is based in Peoria and is the world's largest earth moving equipment company), and machine tools (a specialty of the Rockford area). From a low of 921,000 jobs during fiscal year 1992, Illinois manufacturing payrolls recovered to 977,000 jobs in fiscal year 1998. In the past four years, manufacturing employment has again declined, falling to 892,000 jobs in fiscal year 2002.

Illinois' central location makes it the logical transportation hub for the nation. Illinois is home to O'Hare airport, one of the nation's largest, and an excellent highway and railroad network. The low distribution costs from basing an operation in Illinois allow for the continued generation of new jobs in transportation and merchandising. During fiscal year 2002, 349,000 Illinoisans were employed in the transportation, communications, and public utilities sector, while over 1.3 million were employed in wholesale and retail trade.

The State's role as the central distribution point for agricultural commodities allowed it to develop the world's leading futures market. Illinois continues to be a national leader in financial industries such as banking, derivatives trading, and insurance and is corporate headquarters for many of the country's leading financial services companies. Finance, insurance, and real estate firms employed an average of 403,000 Illinoisans during the year.

Illinois serves as the logical corporate headquarters for many Midwest-based companies. Illinois is home to 36 of the Fortune 500 companies, ranking fourth among the states, trailing only New York, California, and Texas. With its excellent communications and transportation facilities and its strong legal, accounting, financial, and advertising resources, Illinois is also the home to many regional headquarters of major multi-national companies.

Illinois' reputation for research and technical innovation is well founded. Illinois is home to major government research laboratories such as the Argonne National Laboratory and the Fermi National Accelerator Lab, major private research labs such as those operated by BP Amoco and Lucent Technologies, major private universities including Northwestern University and the University of Chicago, and the State's network of nine public universities including the University of Illinois home of the Beckman Institute. The brainpower generated from these institutions continues to make Illinois a major center for technological advancement and a logical location for the production of advanced products.

### **Forecast for the Future**

The most recent economic forecast for the Illinois economy prepared by the Global Insight consulting firm sees a further drop in Illinois employment in fiscal year 2003 followed by resumption of moderate Illinois employment growth during calendar 2004. The 0.8% annual average increase in Illinois employment between fiscal years 1997 and 2002 is forecast to drop slightly to 0.7% for the period between fiscal years 2002 and 2007. The strengths of the Illinois economy continue to be its diversified economy and its role as the regional center for finance, trade and exports.

The longer-term forecast expects continued growth in the Illinois economy with an increase in the share of jobs in the service sectors. Between fiscal years 2002 and 2012, Illinois is expected to add 492,000 jobs, an 8.3% increase. While service employment is forecast to increase by 228,000 jobs or 12.3%, continued automation of production processes is expected to cause manufacturing employment to remain flat during the period.

The long term forecast is vulnerable to unexpected economic fluctuations. Traditionally, the Illinois economy, with its emphasis on durable manufacturing, has been extremely sensitive to the business cycle. However, the increased emphasis on services and finance in the Illinois economy and better control over inventories by manufacturers are likely to reduce the impact of economic downturns on Illinois.

### **Long-Term Demographic Trends**

The steady increase in the Illinois population is expected to continue into the twenty-first century. The current Illinois Bureau of the Budget estimate (1997), which is based on 1990 Census data, predicts that the Illinois population will increase from 11.4 million in 1990 to 13.3 million in 2020. It appears the official forecast has underestimated Illinois population growth as the 2000 Census report of 12,419,293 Illinoisans exceeds the 12,134,344 estimate. As the detailed information from the 2000 Census becomes available, revised population estimates will be prepared.

As the baby boom generation ages, a shift in the age distribution of the Illinois population is expected that will have an impact on the types of services demanded from state government. In 1990, 39.8% of the Illinois population was in the 20-44 age group and 18.7% was in the 45-64 age group. In 2020, the portion in the 20-44 bracket is expected to decline to 37.1% with the 45-64 share increasing to 22.0%. As the baby boom reaches age 65 after 2015, the population will age fairly quickly and a significant increase in the proportion of elderly is expected.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors a general overview of the State's financial position and changes in the State's net assets for the year ended June 30, 2002. If you have any questions about this report or need additional financial information, contact the Office of the Comptroller at (217) 782-6000.

The State's component units issue their own separately issued audited financial statements and reports. These statements and reports may be obtained by directly contacting the component unit. Contact information can be obtained from the Office of the Comptroller at (217) 782-6000.

**State of Illinois**

**Statement of Net Assets**

June 30, 2002 (Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 4,404,654	\$ 485,140	\$ 4,889,794	\$ 1,002,370
Investments	752,351	1,454,871	2,207,222	2,033,231
Receivables, net:				
Taxes	1,340,605	257,785	1,598,390	
Intergovernmental	1,553,856	218,526	1,772,382	8,728
Other	150,383	138,063	288,446	362,231
Internal balances	(26,959)	26,959		
Due from fiduciary funds	37,161		37,161	
Due from component units	65,054	183	65,237	8,583
Due from primary government				112,329
Inventories	86,950	4,027	90,977	50,350
Prepaid expenses	11,832	241	12,073	41,048
Unamortized bond issuance costs	9,901	694	10,595	46,644
Loans and notes receivable, net	138,084	755,574	893,658	1,977,217
Restricted assets:				
Cash and cash equivalents	108	88,838	88,946	53,613
Investments		454,267	454,267	785,533
Deposits and prepaid expenses				26,060
Other receivables, net		146,699	146,699	10,603
Loans and notes receivable, net		2,330,312	2,330,312	
Other assets	27,116		27,116	56,122
Capital assets not being depreciated	2,494,202	190	2,494,392	1,229,953
Capital assets being depreciated, net	13,448,994	4,201	13,453,195	4,358,979
Total assets	24,494,292	6,366,570	30,860,862	12,163,594
LIABILITIES				
Accounts payable and accrued liabilities	4,878,082	206,553	5,084,635	518,952
Intergovernmental payables	2,430,810	11,383	2,442,193	3,858
Due to fiduciary funds	56,994		56,994	
Due to component units	112,260	62	112,322	8,246
Due to primary government				65,338
Deferred revenues	222,207	11,248	233,455	206,421
Liabilities payable from restricted assets				78,138
Other liabilities	1,559		1,559	88,571
Long term obligations:				
Due within one year	995,909	624,115	1,620,024	390,458
Due subsequent to one year	25,053,111	2,440,319	27,493,430	4,633,856
Total liabilities	33,750,932	3,293,680	37,044,612	5,993,838
NET ASSETS				
Invested in capital assets, net of related debt	11,138,126	4,288	11,142,414	3,449,349
Restricted for:				
Capital projects	375,940		375,940	12,157
Debt service	801,486	75,000	876,486	67,134
Municipal lending		1,312,488	1,312,488	
Unemployment compensation benefits		1,457,122	1,457,122	
Permanent Funds				
Expendable	399		399	
Nonexpendable	2,532		2,532	
Employment and economic development	109,888		109,888	
Public protection and justice	108,524		108,524	
Education	64,960		64,960	
Transportation	45,212		45,212	
Nonexpendable purposes				601,452
Other expendable purposes				656,499
Other purposes	87,852	45,685	133,537	380,125
Unrestricted net assets	(21,991,559)	178,307	(21,813,252)	1,003,040
Total net assets	\$ (9,256,640)	\$ 3,072,890	\$ (6,183,750)	\$ 6,169,756

The accompanying notes to the financial statements are an integral part of this statement.

# State of Illinois

## Statement of Activities

For the Year Ended June 30, 2002 (Expressed in Thousands)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities				
Health and social services	\$ 15,487,311	\$ 130,104	\$ 8,491,112	
Education	12,023,116	2,306	1,491,475	
General government	5,807,026	1,601,352	55,736	
Employment and economic development	1,249,503	17,851	431,485	
Transportation	3,581,940	20,945	276,612	\$ 792,705
Public protection and justice	2,239,160	111,918	152,606	
Environment and business regulation	763,384	249,163	83,208	12,318
Interest	547,583			
Total governmental activities	41,699,023	2,133,639	10,982,234	805,023
Business-type activities				
Unemployment compensation trust	2,667,222	1,422,942	381,897	
Water revolving	9,472	34,147	98,572	
Designated account purchase program	105,345	96,556	30,388	
Lottery	1,033,457	1,598,982		
Other	437,748	411,018		
Total business-type activities	4,253,244	3,563,645	510,857	
Total primary government	\$ 45,952,267	\$5,697,284	\$ 11,493,091	\$ 805,023
Component units				
Authorities				
Illinois Housing Development Authority	\$ 312,986	\$ 145,394	\$ 183,460	
Toll Highway Authority	345,962	365,506		
Other Authorities	117,269	68,329	3,449	\$ 692
Universities				
Illinois State University	317,658	150,757	23,880	1,150
Northern Illinois University	379,259	156,545	36,148	
Southern Illinois University	737,164	290,604	79,467	7,593
University of Illinois	3,115,055	1,149,077	812,590	14,419
Other Universities	619,700	210,933	87,380	705
Total component units	\$ 5,945,053	\$2,537,145	\$ 1,226,374	\$ 24,559
General revenues				
Taxes:				
Income taxes				
Sales taxes				
Motor fuel taxes				
Public utility taxes				
Other taxes				
Interest and investment income				
Other revenues				
Loss on disposal of assets				
Payments from the State of Illinois				
Transfers				
Total general revenues, payments from the State of Illinois and transfers				
Change in net assets				
Net assets, July 1, 2001, as restated				
Net assets, June 30, 2002				

The accompanying notes to the financial statements are an integral part of this statement.

Net (Expense) Revenues and Changes in Net Assets			
Primary Government			Component Units
Governmental Activities	Business-type Activities	Total	
\$ (6,866,095)		\$ (6,866,095)	
(10,529,335)		(10,529,335)	
(4,149,938)		(4,149,938)	
(800,167)		(800,167)	
(2,491,678)		(2,491,678)	
(1,974,636)		(1,974,636)	
(418,695)		(418,695)	
(547,583)		(547,583)	
<u>(27,778,127)</u>			

	\$ (862,383)	(862,383)	
	123,247	123,247	
	21,599	21,599	
	565,525	565,525	
	<u>(26,730)</u>	<u>(26,730)</u>	
	<u>(178,742)</u>		
		<u>(27,956,869)</u>	

			\$ 15,868
			19,544
			(44,799)
			(141,871)
			(186,566)
			(359,500)
			(1,138,969)
			<u>(320,682)</u>
			<u>(2,156,975)</u>

8,590,870		8,590,870	
8,298,954		8,298,954	
1,353,947		1,353,947	
1,512,085		1,512,085	
2,335,980		2,335,980	
225,548	89,048	314,596	36,097
755,939	100	756,039	233,196
(33,492)		(33,492)	
			2,149,818
<u>534,207</u>	<u>(534,207)</u>		
<u>23,574,038</u>	<u>(445,059)</u>	<u>23,128,979</u>	<u>2,419,111</u>
(4,204,089)	(623,801)	(4,827,890)	262,136
(5,052,551)	3,696,691	(1,355,860)	5,907,620
<u>\$ (9,256,640)</u>	<u>\$ 3,072,890</u>	<u>\$ (6,183,750)</u>	<u>\$ 6,169,756</u>

**State of Illinois**

**Balance Sheet -  
Governmental Funds**

June 30, 2002 (Expressed in Thousands)

	General Fund	Road Fund	Motor Fuel Tax Fund	State Construction Account	Other Non-major Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 340,010	\$ 606,833	\$ 115,540	\$ 214,643	\$ 2,988,010	\$ 4,265,036
Investments	268,549	360,143			123,659	752,351
Receivables, net:						
Taxes	953,282		178,075		209,248	1,340,605
Intergovernmental	973,809	108,277			470,886	1,552,972
Other	15,587	46,769		419	86,088	148,863
Due from other funds	75,678	29,105		86,462	274,955	466,200
Due from component units	14,707	215			14,535	29,457
Inventories	34,981	21,015			17,735	73,731
Loans and notes receivable, net	13,743				124,341	138,084
Other assets	12,480	1,651			12,985	27,116
<b>Total assets</b>	<b>\$ 2,702,826</b>	<b>\$ 1,174,008</b>	<b>\$ 293,615</b>	<b>\$ 301,524</b>	<b>\$ 4,322,442</b>	<b>\$ 8,794,415</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 3,818,684	\$ 103,589	\$ 6,392	\$ 64,812	\$ 446,644	\$ 4,440,121
Intergovernmental payables	1,168,626	110,322	61,399	1,226	1,089,152	2,430,725
Due to other funds	433,717	105,931	50,900		166,845	757,393
Due to component units	89,816	5,492			16,921	112,229
Deferred revenues	493,691	15,749	65,023		216,104	790,567
Matured portion of long-term liabilities	4,531	2,142			6,744	13,417
<b>Total liabilities</b>	<b>6,009,065</b>	<b>343,225</b>	<b>183,714</b>	<b>66,038</b>	<b>1,942,410</b>	<b>8,544,452</b>
<b>Fund balances (deficits):</b>						
Reserved for:						
Encumbrances	97,745	1,132,172	22	492,475	1,770,869	3,493,283
Long-term portion of:						
Intergovernmental receivables	352	2,043				2,395
Other receivables		438			3,113	3,551
Loans and notes receivable	13,058				115,299	128,357
Inventories	34,981	21,015			17,735	73,731
Debt service					638,407	638,407
Capital projects					100,779	100,779
Other assets	5,895	1,651			15,439	22,985
Unreserved:						
General fund	(3,458,270)					(3,458,270)
Special revenue funds		(326,536)	109,879	(256,989)	1,218,792	745,146
Capital projects funds					(1,503,332)	(1,503,332)
Permanent trust funds					2,931	2,931
Total fund balances (deficits)	(3,306,239)	830,783	109,901	235,486	2,380,032	249,963
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 2,702,826</b>	<b>\$ 1,174,008</b>	<b>\$ 293,615</b>	<b>\$ 301,524</b>	<b>\$ 4,322,442</b>	<b>\$ 8,794,415</b>

The accompanying notes to the financial statements are an integral part of this statement.



**State of Illinois**  
**Reconciliation of Governmental Funds Balance Sheet**  
**to Statement of Net Assets**  
**June 30, 2002**  
**(Expressed in Thousands)**

<b>Total fund balances-governmental funds</b>	<b>\$</b>	<b>249,963</b>
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Amounts reported for governmental activities in the  
Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		15,889,518
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Prepaid expenses for governmental activities are current uses of financial resources for funds		10,915
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Bond issuance costs are reported as current expenditures in the funds. However, bond issuance costs are deferred and amortized over the life of the bonds and are included as governmental activities in the Statement of Net Assets.		9,901
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Internal service funds are used to charge costs of certain activities to individual funds. The assets and liabilities of the internal service funds are reported as governmental activities in the Statement of Net Assets.		133,907
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Revenues in the Statement of Activities that do not provide current financial resources are deferred in the funds.		568,360
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Bond refunding costs are reported as current expenditures in the funds. However, bond refunding costs are deferred and amortized over the life of the defeased bonds and are included as governmental activities in the Statement of Net Assets.		28,065
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Some liabilities reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These activities consist of:

Net pension obligation	(14,633,026)	
General obligation bonds	(8,405,437)	
Special obligation bonds	(2,003,353)	
Unamortized premiums	(111,782)	
Other commitments	(54,995)	
Compensated absences	(531,466)	
Certificates of participation	(138,090)	
Workers' compensation	(125,903)	
Capital lease and installment purchase obligations	(44,263)	
Accrued interest	(98,954)	
		(26,147,269)

<b>Net assets of governmental activities</b>	<b>\$</b>	<b><u>(9,256,640)</u></b>
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The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Revenues, Expenditures  
and Changes in Fund Balances - Governmental Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	General Fund	Road Fund	Motor Fuel Tax Fund	State Construction Account	Other Non-major Funds	Total Governmental Funds
<b>REVENUES</b>						
Income taxes	\$ 7,916,974				\$ 727,166	\$ 8,644,140
Sales taxes	5,994,760				2,311,612	8,306,372
Motor fuel taxes			\$ 1,286,463		69,202	1,355,665
Public utility taxes	1,082,468				454,820	1,537,288
Other taxes	1,576,382		1		742,847	2,319,230
Federal government	5,262,983	\$ 821,263			4,988,152	11,072,398
Licenses and fees	76,652	760,636	714	\$ 494,620	374,773	1,707,395
Interest and other investment income	118,629	26,620		6,577	71,903	223,729
Other	910,365	79,870			732,747	1,722,982
<b>Total revenues</b>	<b>22,939,213</b>	<b>1,688,389</b>	<b>1,287,178</b>	<b>501,197</b>	<b>10,473,222</b>	<b>36,889,199</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	12,333,109				3,141,028	15,474,137
Education	8,655,630				2,454,230	11,109,860
General government	1,417,083	167,961	66,871		3,962,446	5,614,361
Employment and economic development	200,039				1,046,481	1,246,520
Transportation	56,468	1,368,578	618,782	63,614	651,806	2,759,248
Public protection and justice	1,828,005	52,732			270,899	2,151,636
Environment and business regulation	206,757				538,886	745,643
Debt service:						
Principal	9,963	1,644	160	7,047	651,786	670,600
Interest	2,515	232	12	966	402,690	406,415
Capital outlays	54,652	273,169	91	802,949	656,701	1,787,562
<b>Total expenditures</b>	<b>24,764,221</b>	<b>1,864,316</b>	<b>685,916</b>	<b>874,576</b>	<b>13,776,953</b>	<b>41,965,982</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,825,008)</b>	<b>(175,927)</b>	<b>601,262</b>	<b>(373,379)</b>	<b>(3,303,731)</b>	<b>(5,076,783)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general/special obligation bond issues					1,717,192	1,717,192
Proceeds from general/special obligation bond refunding issues					704,314	704,314
Transfers-in	1,842,662	321,859		222,012	2,946,003	5,332,536
Transfers-out	(1,978,366)	(215,204)	(605,963)		(2,000,124)	(4,799,657)
Payment to refunded bond escrow agent					(697,084)	(697,084)
Proceeds from other financing sources				7,080		7,080
Capital lease financing	19,588	778			1,463	21,829
<b>Net other sources (uses) of financial resources</b>	<b>(116,116)</b>	<b>107,433</b>	<b>(605,963)</b>	<b>229,092</b>	<b>2,671,764</b>	<b>2,286,210</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(1,941,124)</b>	<b>(68,494)</b>	<b>(4,701)</b>	<b>(144,287)</b>	<b>(631,967)</b>	<b>(2,790,573)</b>
Fund balances (deficits), July 1, 2001, as restated	(1,364,878)	900,158	114,602	379,773	3,009,396	3,039,051
Increase (decrease) for changes in inventories	(237)	(881)			2,603	1,485
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$(3,306,239)</b>	<b>\$ 830,783</b>	<b>\$ 109,901</b>	<b>\$ 235,486</b>	<b>\$ 2,380,032</b>	<b>\$ 249,963</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**  
**Reconciliation of Statements of Revenues, Expenditures and Changes in**  
**Fund Balances of Governmental Funds to Statement of Activities**  
**For the Year Ended June 30, 2002**  
**(Expressed in Thousands)**

<b>Net change in fund balances</b>		\$ (2,790,573)
Change in inventories		<u>1,485</u>
		(2,789,088)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
		773,697
Bond proceeds and other financing sources proceeds provide current financial resources to governmental funds, but the issuance increases long-term obligations in the Statement of Net Assets. In the current period, proceeds were received from:		
Bonds obligations including premiums of \$117,461	(2,421,506)	
Other financing obligations	<u>(7,080)</u>	
Total proceeds		(2,428,586)
Bond issue costs are reported as current expenditures in the funds. However, deferred issuance costs are amortized over the life of the bonds and are included in the governmental activities in the Statement of Net Assets.		
		10,361
Repayment of long-term debt is reported as an expenditure in governmental funds, but the the repayment reduces long-term liabilities in the Statement of Net Assets. In the current year, these amounts consist of:		
Bond principal retirements	640,206	
Capital lease principal payments	15,427	
Certificates of participation principal retirements	7,920	
Other financing obligations principal payments	7,047	
Payments to the bond refunding agent	<u>697,084</u>	
Total repayments		1,367,684
Some capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the Statement of Net Assets the lease obligation is reported as a liability.		
		(21,829)
Internal service funds are used to charge to costs of certain activities to individual funds. The net revenue of the internal service funds is reported as governmental activities in the Statement of Activities.		
		4,766
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
		(41,858)
Prepaid expenses in the Statement of Net Assets are not reported as expenses in governmental funds.		
		10,915
Proceeds from sales of capital assets are reported in the governmental funds. However, in the Statement of Activities, losses from the sale of capital assets are also reported. This is the amount the losses from the sale of capital assets exceeded proceeds.		
		(33,492)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. Below are such activities.		
Increase in net pension obligation	(912,312)	
Increase in compensated absences obligation	(7,155)	
Interest accreted on capital appreciation debt	(116,794)	
Deferred loss on current year refundings of debt	46,533	
Redemption premiums for refundings of debt	(10,156)	
Accrued interest paid to refunding agent	(32,123)	
Amortization of bond premiums	5,679	
Amortization of bond issuance costs	(460)	
Amortization of deferred loss on refundings of debt	(18,468)	
Decrease in workers' compensation obligation	8,946	
Increase in accrued interest on obligations	(19,974)	
Increase in other obligations	<u>(375)</u>	
		(1,056,659)
<b>Change in net assets of governmental activities</b>		<u><u>\$ (4,204,089)</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Net Assets -  
Proprietary Funds

June 30, 2002 (Expressed in Thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Major					
	Unemployment Compensation Trust Fund	Water Revolving Fund	Designated Account Purchase Program Fund	Nonmajor Proprietary Funds	Total	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 43,056	\$ 319,550	\$ 4,139	\$ 118,395	\$ 485,140	\$ 139,618
Investments, short-term	1,111,069		390	242,301	1,353,760	
Receivables, net:						
Taxes	257,785				257,785	
Intergovernmental	50,751	164,604		3,171	218,526	884
Other	84,629	24,066	570	28,798	138,063	1,520
Due from other funds	3,234		3,681	58,980	65,895	247,052
Due from component units	183				183	35,597
Loans and notes receivable, net		31,104			31,104	
Restricted assets:						
Cash and cash equivalents			88,838		88,838	
Investments			454,267		454,267	
Other receivables, net			146,699		146,699	
Loans and notes receivable, net		24,696	246,722		271,418	
Inventories				4,027	4,027	13,219
Prepaid expenses				241	241	917
Unamortized bond issuance costs		694			694	
<b>Total current assets</b>	<b>1,550,707</b>	<b>564,714</b>	<b>945,306</b>	<b>455,913</b>	<b>3,516,640</b>	<b>438,807</b>
Investments		74,970		26,141	101,111	
Loans and notes receivable, net		724,470			724,470	
Restricted assets:						
Cash and cash equivalents						108
Loans and notes receivable, net		255,817	1,803,077		2,058,894	
Capital assets not being depreciated				190	190	2,295
Capital assets being depreciated, net		200	71	3,930	4,201	51,383
<b>Total assets</b>	<b>1,550,707</b>	<b>1,620,171</b>	<b>2,748,454</b>	<b>486,174</b>	<b>6,405,506</b>	<b>492,593</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	78,203	276	19,274	108,800	206,553	339,007
Intergovernmental payables	11,245	137		1	11,383	85
Due to other funds	4,137	39	10,205	24,555	38,936	2,651
Due to component units		62			62	31
Other liabilities						1,559
Deferred revenues				11,248	11,248	
Current portion of long-term obligations		3,096	587,969	33,050	624,115	4,813
<b>Total current liabilities</b>	<b>93,585</b>	<b>3,610</b>	<b>617,448</b>	<b>177,654</b>	<b>892,297</b>	<b>348,146</b>
Noncurrent portion of long-term obligations		157,715	2,002,536	280,068	2,440,319	10,540
<b>Total liabilities</b>	<b>93,585</b>	<b>161,325</b>	<b>2,619,984</b>	<b>457,722</b>	<b>3,332,616</b>	<b>358,686</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt		200	71	4,017	4,288	47,000
Net assets restricted for:						
Debt service		75,000			75,000	108
Municipal lending		1,312,488			1,312,488	
Unemployment compensation benefits	1,457,122				1,457,122	
Other purposes				45,685	45,685	
Unrestricted		71,158	128,399	(21,250)	178,307	86,799
<b>Total net assets</b>	<b>\$ 1,457,122</b>	<b>\$ 1,458,846</b>	<b>\$ 128,470</b>	<b>\$ 28,452</b>	<b>\$ 3,072,890</b>	<b>\$ 133,907</b>

The accompanying notes to the financial statements are an integral part of this statement.

**State of Illinois**

**Statement of Revenues, Expenses and Changes in  
Fund Net Assets - Proprietary Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Major					
	Unemployment Compensation Trust Fund	Water Revolving Fund	Designated Account Purchase Program Fund	Nonmajor Proprietary Funds	Total	
<b>OPERATING REVENUES</b>						
Charges for sales and services				\$ 1,982,614	\$ 1,982,614	\$ 1,461,644
Interest income pledged as revenue bond security			\$ 96,556		96,556	
Interest and other investment income		\$ 34,144		(7,319)	26,825	
Employer contributions	\$ 1,091,943				1,091,943	
Federal government	330,999				330,999	
Other		3		34,705	34,708	8,067
<b>Total operating revenues</b>	<b>1,422,942</b>	<b>34,147</b>	<b>96,556</b>	<b>2,010,000</b>	<b>3,563,645</b>	<b>1,469,711</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services				150,890	150,890	239,985
Benefit payments and refunds	2,667,222			282,873	2,950,095	1,169,065
Prizes and claims				866,658	866,658	
Interest			67,545	14	67,559	
General and administrative		8,741	37,777	123,051	169,569	35,189
Depreciation		70	23	1,304	1,397	14,207
Other		661		45,990	46,651	10,137
<b>Total operating expenses</b>	<b>2,667,222</b>	<b>9,472</b>	<b>105,345</b>	<b>1,470,780</b>	<b>4,252,819</b>	<b>1,468,583</b>
<b>Operating income (loss)</b>	<b>(1,244,280)</b>	<b>24,675</b>	<b>(8,789)</b>	<b>539,220</b>	<b>(689,174)</b>	<b>1,128</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income	86,458	13		2,577	89,048	1,819
Interest expense				(421)	(421)	(337)
Federal government revenue	381,897	98,572	30,388		510,857	
Other revenues	100				100	1,715
Other expenses				(4)	(4)	(887)
<b>Income (loss) before operating transfers</b>	<b>(775,825)</b>	<b>123,260</b>	<b>21,599</b>	<b>541,372</b>	<b>(89,594)</b>	<b>3,438</b>
Transfers-in		29,000		2,000	31,000	1,331
Transfers-out	(11,454)	(521)	(556)	(552,676)	(565,207)	(3)
<b>Change in net assets</b>	<b>(787,279)</b>	<b>151,739</b>	<b>21,043</b>	<b>(9,304)</b>	<b>(623,801)</b>	<b>4,766</b>
Net assets, July 1, 2001, as restated	2,244,401	1,307,107	107,427	37,756	3,696,691	129,141
<b>NET ASSETS, JUNE 30, 2002</b>	<b>\$ 1,457,122</b>	<b>\$ 1,458,846</b>	<b>\$ 128,470</b>	<b>\$ 28,452</b>	<b>\$ 3,072,890</b>	<b>\$ 133,907</b>

The accompanying notes to the financial statements are an integral part of this statement.

State of Illinois

Statement of Cash Flows -  
Proprietary Funds

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Business-Type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Major					
	Unemployment Compensation Trust Fund	Water Revolving Fund	Designated Account Purchase Program Fund	Nonmajor Proprietary Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Cash received from sales and services				\$ 1,976,596	\$ 1,976,596	\$ 1,376,536
Cash payments to suppliers for goods and services			(24,483)	(404,297)	(428,780)	(1,266,929)
Cash payments to employees for services		(7,112)	(9,723)	(138,084)	(154,919)	(66,993)
Cash payments for lottery prizes				(881,919)	(881,919)	
Cash receipts from other operating activities	1,384,351	31,269	329,142	128,841	1,873,603	7,447
Cash payments for other operating activities	(2,633,426)	(1,874)	(676,721)	(38,548)	(3,350,569)	(1,211)
Net cash provided (used) by operating activities	(1,249,075)	22,283	(381,785)	642,589	(965,988)	48,850
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Proceeds from borrowing, net of bond issuance costs		159,190	646,974		806,164	
Principal paid on revenue bonds and other borrowing			(29,610)	(353)	(29,963)	
Interest paid on revenue bonds and other borrowing				(421)	(421)	
Operating grants received	381,897	107,800	30,530		520,227	
Operating transfers-in from other funds		29,000		2,001	31,001	
Operating transfers-out to other funds	(9,739)	(521)	(556)	(556,354)	(567,170)	(546)
Other noncapital financing activities	100	(105,482)			(105,382)	
Net cash provided (used) by noncapital financing activities	372,258	189,987	647,338	(555,127)	654,456	(546)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from capital debt incurred, net of bond issuance costs				101	101	6,048
Acquisition and construction of capital assets		(48)	(9)	(2,416)	(2,473)	(6,838)
Principal paid on capital debt				(10,860)	(10,860)	(7,777)
Interest paid on capital debt						(337)
Other capital and financing activities		13			13	250
Net cash (used) by capital and related financing activities		(35)	(9)	(13,175)	(13,219)	(8,654)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investment securities		(150,000)	(697,440)	(98,411)	(945,851)	
Proceeds from sale and maturities of investment securities	816,359	75,030	448,216	35,020	1,374,625	
Interest and dividends on investments	86,458			2,491	88,949	1,849
Net cash provided (used) by investing activities	902,817	(74,970)	(249,224)	(60,900)	517,723	1,849
Net increase (decrease) in cash and cash equivalents	26,000	137,265	16,320	13,387	192,972	41,499
Cash and cash equivalents, July 1, 2001	17,056	182,285	76,657	105,008	381,006	98,119
CASH AND CASH EQUIVALENTS, JUNE 30, 2002	\$ 43,056	\$ 319,550	\$ 92,977	\$ 118,395	\$ 573,978	\$ 139,618
<b>Reconciliation of cash and cash equivalents to the balance sheet:</b>						
Total cash and cash equivalents per the balance sheet	\$ 43,056	\$ 319,550	\$ 4,139	\$ 118,395	\$ 485,140	\$ 139,618
Add: restricted cash equivalents			88,838		88,838	
CASH AND CASH EQUIVALENTS, JUNE 30, 2002	\$ 43,056	\$ 319,550	\$ 92,977	\$ 118,395	\$ 573,978	\$ 139,618
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
OPERATING INCOME (LOSS)	\$ (1,244,280)	\$ 24,675	\$ (8,789)	\$ 539,220	\$ (689,174)	\$ 1,128
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation		70	23	1,304	1,397	14,207
Provision for uncollectible accounts	23,970			359	24,329	(53)
Amortization			(142)		(142)	
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(28,480)	(2,878)	(382,948)	5,907	(408,399)	2,534
(Increase) decrease in intergovernmental receivables	(33,260)			442	(32,818)	(178)
(Increase) decrease in due from other funds	(700)		(1,020)	(1,749)	(3,469)	(53,872)
(Increase) decrease in due from component units	(68)				(68)	(28,959)
(Increase) decrease in inventory				(101)	(101)	1,343
(Increase) decrease in prepaid expenses			71	90	161	1,522
Increase (decrease) in accounts payable and accrued liabilities	29,682	241	568	6,430	36,921	119,128
Increase (decrease) in intergovernmental payables	4,061	137		(1)	4,197	(198)
Increase (decrease) in due to other funds		(54)	10,205	(1,975)	8,176	(2,080)
Increase (decrease) in due to component units		58			58	17
Increase (decrease) in deferred revenues				(1,753)	(1,753)	
Increase (decrease) in other liabilities		34		79,200	79,234	(5,689)
Other			247	15,216	15,463	
Total adjustments	(4,795)	(2,392)	(372,996)	103,369	(276,814)	47,722
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,249,075)	\$ 22,283	\$ (381,785)	\$ 642,589	\$ (965,988)	\$ 48,850
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Cost of capital assets acquisitions financed by capital leases	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 6,048
Capital lease liabilities entered into during the year	\$ --	\$ --	\$ --	\$ --	\$ --	(6,048)
Increase (decrease) in fair value of investments	\$ --	\$ --	\$ --	\$ 8,793	\$ 8,793	\$ --

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois***Statement of Fiduciary Net Assets  
Fiduciary Funds**

June 30, 2002 (Expressed in Thousands)

	Private Purpose Trust Funds			
	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Other	Agency Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 536,058	\$ 135,419	\$ 2,099	\$ 786,969
Investments:				
Equities	17,810,154	322,260		
Fixed income	12,456,067	1,210,231		
Real estate	2,203,973			
Other	1,939,932			
Pooled	7,928,328	3,550,684	144	
Securities lending collateral	2,778,943			
Receivables, net:				
Taxes				101,033
Intergovernmental				1,713
Members	173,449			
Employers	24,345			
Investment income	887,578	640		
Other	5,959		8	238,802
Due from other funds	22,014			35,642
Due from component units	1,565			199
Loans and notes receivable, net			136	
Other assets				1,288,889
Capital assets not being depreciated	1,670			
Capital assets being depreciated, net	18,374			
<b>Total assets</b>	<b>46,788,409</b>	<b>5,219,234</b>	<b>2,387</b>	<b>\$ 2,453,247</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	1,000,652	106	6	\$ 24,276
Intergovernmental payables				304,334
Due to other funds	221	1,117		36,485
Due to component units				7
Depository and other liabilities	3,633,813	2,918		2,088,145
Long term obligations:				
Due within one year	346			
Due subsequent to one year	20,183			
<b>Total liabilities</b>	<b>4,655,215</b>	<b>4,141</b>	<b>6</b>	<b>\$ 2,453,247</b>
<b>NET ASSETS</b>				
Net assets held in trust for:				
Pension and other employee benefits	42,133,194			
Pool participants		5,215,093		
Other purposes			2,381	
<b>Total Net Assets</b>	<b>\$ 42,133,194</b>	<b>\$ 5,215,093</b>	<b>\$ 2,381</b>	

The accompanying notes to the financial statements are an integral part of this statement.

*State of Illinois***Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds**

June 30, 2002 (Expressed in Thousands)

	Pension (and Other Employee Benefit) Trust Funds	Investment Trust Funds	Private Purpose Trust Funds Other
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 744,567		
State	814,740		
Plan members	1,320,120		
Other	46,396		\$ 9
Total contributions	2,925,823		9
Investment income:			
Interest and other investment income	1,397,245	\$ 196,024	63
Net depreciation of investments	(3,296,054)	(11,760)	
Investment expense	(168,665)	(3,878)	
Net investment income (loss)	(2,067,474)	180,386	63
<b>Total additions</b>	<b>858,349</b>	<b>180,386</b>	<b>72</b>
<b>DEDUCTIONS</b>			
Benefit payments and refunds	3,307,203		
Participants' withdrawals (net of participants' deposits for investment trust funds)	68,359	13,817	
Distribution to pool investors		100,023	
Interest expense	1,294		
Depreciation	2,409		
General and administration	32,595	575	14
Other	1,892		5
<b>Total deductions</b>	<b>3,413,752</b>	<b>114,415</b>	<b>19</b>
<b>Net additions (deductions)</b>	<b>(2,555,403)</b>	<b>65,971</b>	<b>53</b>
<b>Net Assets, July 1, 2001, as restated</b>	<b>44,688,597</b>	<b>5,149,122</b>	<b>2,328</b>
<b>Net Assets, June 30, 2002</b>	<b>\$ 42,133,194</b>	<b>\$ 5,215,093</b>	<b>\$ 2,381</b>

The accompanying notes to the financial statements are an integral part of this statement.



**State of Illinois**

**Statement of Net Assets**

**Component Units**

June 30, 2002 (Expressed in Thousands)

	Illinois Housing Development Authority	Toll Highway Authority	Other Authorities	Illinois State University	Northern Illinois University
<b>ASSETS</b>					
Cash and cash equivalents	\$ 78,928	\$ 322,739	\$ 86,362	\$ 27,781	\$ 33,855
Investments	134,127		115,660	45,623	72,936
Receivables, net:					
Intergovernmental	559		3,713		
Other	16,809	8,320	3,686	15,491	14,507
Due from component units				71	61
Due from primary government			110	1,382	1,330
Inventories			3	2,497	3,439
Prepaid expenses		3,260	110	181	
Unamortized bond issuance costs	28,949	3,825	1,119	823	3,407
Loans and notes receivable, net	1,773,301		96,816	9,621	8,994
Restricted assets:					
Cash and cash equivalents		36,444		763	
Investments	616,461	90,825	10,068	24,536	
Deposits and prepaid expenses		26,060			
Other receivables, net		5,203	5,400		
Other assets	38,969		192	1,428	58
Capital assets not being depreciated		721,574	24,898	28,996	103,567
Capital assets being depreciated, net	640	1,160,551	4,528	195,728	213,224
<b>Total assets</b>	<b>2,688,743</b>	<b>2,378,801</b>	<b>352,665</b>	<b>354,921</b>	<b>455,378</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	93,209	54,845	17,228	11,976	24,490
Intergovernmental payables			1		
Due to component units				141	
Due to primary government	5		110	1,736	7,192
Deferred revenue		23,921	6,607	4,337	7,485
Liabilities payable from restricted assets		49,940			
Other liabilities				3,055	350
Long-term obligations:					
Due within one year	190,543	39,877	39,791	7,019	9,063
Due subsequent to one year	1,841,694	768,199	88,666	68,902	181,399
<b>Total liabilities</b>	<b>2,125,451</b>	<b>936,782</b>	<b>152,403</b>	<b>97,166</b>	<b>229,979</b>
<b>NET ASSETS</b>					
Invested in capital assets,					
net of related debt	640	1,081,063	26,682	170,061	160,588
Restricted for:					
Capital projects				8,245	
Debt service					
Nonexpendable purposes				24,438	18,296
Other expendable purposes				23,585	13,527
Other purposes	188,320	107,699	84,106		
Unrestricted	374,332	253,257	89,474	31,426	32,988
<b>Total net assets</b>	<b>\$ 563,292</b>	<b>\$ 1,442,019</b>	<b>\$ 200,262</b>	<b>\$ 257,755</b>	<b>\$ 225,399</b>

The accompanying notes to the financial statements are an integral part of this statement.

Southern Illinois University	University of Illinois	Other Universities	Total
\$ 33,624	\$ 337,281	\$ 81,800	\$ 1,002,370
211,356	1,412,245	41,284	2,033,231
		4,456	8,728
42,832	243,044	17,542	362,231
7,642	598	211	8,583
19,462	85,475	4,570	112,329
6,577	32,699	5,135	50,350
9,552	27,687	258	41,048
2,988	4,845	688	46,644
17,994	57,064	13,427	1,977,217
		16,406	53,613
		43,643	785,533
			26,060
			10,603
	14,364	1,111	56,122
55,113	225,415	70,390	1,229,953
305,378	2,114,490	364,440	4,358,979
712,518	4,555,207	665,361	12,163,594
27,605	253,248	36,351	518,952
		3,857	3,858
7,537	316	252	8,246
9,221	42,814	4,260	65,338
52,049	101,221	10,801	206,421
	13,981	14,217	78,138
31,307	46,399	7,460	88,571
12,802	73,733	17,630	390,458
192,212	1,276,276	216,508	4,633,856
332,733	1,807,988	311,336	5,993,838
224,586	1,506,666	279,063	3,449,349
		3,912	12,157
32,410	25,287	9,437	67,134
49,371	490,935	18,412	601,452
35,920	540,822	42,645	656,499
			380,125
37,498	183,509	556	1,003,040
\$ 379,785	\$ 2,747,219	\$ 354,025	\$ 6,169,756

**State of Illinois****Statement of Activities****Component Units**

For the year ended June 30, 2002 (Expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Authorities:					
Illinois Housing Development Authority	\$ 312,986	\$ 145,394	\$ 183,460		\$ 15,868
Toll Highway Authority	345,962	365,506			19,544
Other authorities	117,269	68,329	3,449	\$ 692	(44,799)
Universities:					
Illinois State University	317,658	150,757	23,880	1,150	(141,871)
Northern Illinois University	379,259	156,545	36,148		(186,566)
Southern Illinois University	737,164	290,604	79,467	7,593	(359,500)
University of Illinois	3,115,055	1,149,077	812,590	14,419	(1,138,969)
Other universities	619,700	210,933	87,380	705	(320,682)
Total	\$ 5,945,053	\$ 2,537,145	\$ 1,226,374	\$ 24,559	\$ (2,156,975)

The accompanying notes to the financial statements are an integral part of this statement.

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<u>General Revenues</u>			<u>Change in Net Assets</u>	<u>Net Assets, July 1, 2001, As Restated</u>	<u>Net Assets, June 30, 2002</u>
<u>State Appropriations</u>	<u>Interest and Investment Income</u>	<u>Other</u>			
	\$ 4,251	\$ 32,599	\$ 52,718	\$ 510,574	\$ 563,292
	25,809	401	45,754	1,396,265	1,442,019
\$ 39,799	8,134	19,680	22,814	177,448	200,262
128,197	(992)	27,436	12,770	244,985	257,755
172,349	3,271	12,122	1,176	224,223	225,399
345,285	6,487	25,715	17,987	361,798	379,785
1,118,158	(8,496)	109,166	79,859	2,667,360	2,747,219
346,030	(2,367)	6,077	29,058	324,967	354,025
<u>\$ 2,149,818</u>	<u>\$ 36,097</u>	<u>\$ 233,196</u>	<u>\$ 262,136</u>	<u>\$ 5,907,620</u>	<u>\$ 6,169,756</u>

*Index of Notes to the Financial Statements*

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# **STATE OF ILLINOIS**

## **Notes to the Financial Statements**

### **June 30, 2002**

#### **1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Basis of Presentation**

The accompanying financial statements of the State of Illinois have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as prescribed in pronouncements of the Governmental Accounting Standards Board ("GASB").

##### **B. Financial Reporting Entity**

The State of Illinois is a "primary government" whose financial statements consist of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements include all funds, elected offices, departments and agencies as well as boards, commissions, authorities and universities for which the State's elected officials are financially accountable. Financial accountability exists when the State's governing body appoints a majority of an organization's governing board and (1) the State can impose its will upon the organization or (2) there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on the State.

The State's governing body consists of the legislative, executive and judicial branches of government. The legislative function is controlled by an elected General Assembly composed of a 59-member Senate and a 118-member House of Representatives. The executive branch consists of the Governor (the chief executive of the State), the Lieutenant

Governor, the Attorney General, the Secretary of State, the Comptroller and the Treasurer. The judicial branch is composed of a seven-member Supreme Court, five Appellate court districts and twenty-two Circuit Court judicial districts including Cook County.

The financial statements distinguish between the "primary government" and its "component units." The State's participation in a joint venture, related organizations and jointly governed organizations is separately disclosed below. The primary government, which consists of organizations that make up the State's legal entity, is the nucleus of the State's reporting entity. Component units are legally separate organizations for which the State is financially accountable. Complete financial statements of the individual component units can be obtained from the respective component unit's administrative offices (as listed in parentheses below).

##### **Blended Component Units**

The following component units are reported, as exclusion would be misleading to the State's financial statements, as though they are a part of the primary government using the blending method since they provide services primarily to benefit the State:

1. *IMSA Fund for Advancement of Education ("IMSA Fund")*: The IMSA Fund was established for the purpose of benefiting, performing the function of and carrying out certain charitable, educational, literary and scientific purposes of the Illinois Mathematics and Science Academy, a primary government agency. (Administrative Offices: 1500 West Sullivan Road, Aurora, Illinois 60506-1000).

2. *Office of the Special Deputy Receiver ("OSD")*: The OSD acts as agent for the State of Illinois in supervising the conservation, rehabilitation or liquidation of insurance companies. The OSD reports on a December 31 year-end. (Administrative Office: 222 Merchandise Mart Plaza, Suite 1450, Chicago, Illinois 60654).

#### Discretely Presented Component Units

Discretely presented component units are reported in separate columns to emphasize that they are legally separate from the State. The discretely presented component units presented below have governing bodies appointed by the governing board of the State.

1. *Illinois Housing Development Authority ("IHDA")*. The IHDA issues notes and bonds to make loans for the acquisition, construction and rehabilitation of housing and to encourage home ownership. The State approves bonds and notes issued by the IHDA and is secondarily liable for its debt if there are not sufficient IHDA monies to pay principal and interest. (Administrative Offices: 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611).
2. *Illinois State Toll Highway Authority ("THA")*. The THA operates a toll highway system to promote the public welfare and to facilitate vehicular traffic by providing convenient, safe, modern and limited access highways within Illinois. The State substantially approves the THA's budget. The THA reports on a December 31 year-end. (Administrative Offices: One Authority Drive, Downers Grove, Illinois 60515). The THA has no amounts reported as due from or to the primary government or other component units at December 31, 2001. At June 30, 2002, THA would report a due to the primary government of \$1,663 and a due to component units of \$337.
3. *Illinois Distance Learning Foundation ("Foundation")*. The Foundation promoted increased use of communication and information technology in rural school districts in the State of Illinois in order to improve curriculum, access to skilled faculty, parental participation and adult education opportunities. The State had the ability to appoint, hire, reassign and dismiss those persons responsible for the day-to-day operations of the Foundation. The Foundation was abolished during the fiscal year. (Administrative Offices: 305 Stratton Building, Springfield, Illinois 62706).
4. *Illinois Literacy Foundation ("Foundation")*. The Foundation promotes literacy among the residents of the State of Illinois by supporting literacy programs and enhancing Statewide literacy awareness. The State has the ability to appoint, hire, reassign and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: 124 Howlett Building, Springfield, Illinois 62756).
5. *Community Development Finance Corporation ("Corporation")*. The Corporation assists various community development corporations to promote economic redevelopment in designated areas within the State of Illinois. The State has the ability to hire, reassign and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: 300 West Jefferson, Springfield, Illinois 62702).
6. *Illinois Grain Insurance Corporation ("Corporation")*. The Corporation was created for the purpose of improving the economic stability of agriculture in the State of Illinois by establishing a fund to pay grain producers and other claimants for losses incurred by the failure of a grain dealer or warehouseman. The State has the ability to remove appointed members of the Corporation's governing board at will. (Administrative Offices: State Fairgrounds, Springfield, Illinois 62794).

7. *Illinois Conservation Foundation ("Foundation")*. The Foundation was created to promote, support, assist, sustain and encourage the charitable, educational, scientific and recreational programs, projects and policies of the Illinois Department of Natural Resources. The State has the ability to appoint, hire, reassign, and dismiss those persons responsible for the day-to-day operations of the Foundation. (Administrative Offices: 524 South Second Street, Springfield, Illinois 62701-1787).
8. *Comprehensive Health Insurance Plan ("CHIP") Board*. The CHIP provides an alternate market for health insurance for eligible Illinois residents having a pre-existing health condition. The State substantially approves the CHIP's budget. (Administrative Offices: 400 West Monroe Street, Suite 202, Springfield, Illinois 62704).
9. *East St. Louis Financial Advisory Authority ("Authority")*. The Authority was created to provide a secure financial basis for and to furnish assistance to the city of East St. Louis. The State funds certain programs of the Authority. (Administrative Offices: 10 Collinsville Avenue, East St. Louis, Illinois 62201).
10. *Illinois Farm Development Authority ("Authority")*. The Authority develops various programs designed to maintain and promote the agricultural economy of the State of Illinois. The State is secondarily liable for payment of principal and interest on debt issued by the Authority. (Administrative Offices: 427 East Monroe, Suite 201, Springfield, Illinois 62701).
11. *Illinois Development Finance Authority ("IDFA")*. The IDFA provides funding for industrial, commercial and manufacturing development in areas of Illinois with critical unemployment. The State funds certain programs of the IDFA. (Administrative Offices: 233 South Wacker Drive, Suite 5310, Chicago, Illinois 60606).
12. *Illinois Rural Bond Bank ("Bond Bank")*. The Bond Bank provides assistance to rural governmental units by providing adequate capital markets and facilities for borrowing money and financing public improvements at low interest rates. The State is secondarily liable for payment of principal and interest on debt issued by the Bond Bank. Excess reserves of the Bond Bank must be returned to the State's General Fund. (Administrative Offices: 427 East Monroe Street, Suite 202, Springfield, Illinois 62701).
13. *Illinois Medical District Commission ("Commission")*. The Commission was created to maintain and expand a designated "medical district." The State substantively approves the Commission's budget. (Administrative Offices: 600 South Hoyne, Chicago, Illinois 60612).
14. *Quad Cities Regional Economic Development Authority ("Authority")*. The Authority promotes economic development within the counties of Rock Island, Henry and Mercer in the State of Illinois. The State approves bonds and notes issued by the authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1504 3<sup>rd</sup> Avenue, Box 3368, Rock Island, Illinois 61204-3368).
15. *Southwestern Illinois Development Authority ("Authority")*. The Authority promotes economic development within the counties of St. Clair and Madison in the State of Illinois. The State approves bonds and notes issued by the authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 1022 Eastport Plaza, Collinsville, Illinois 62234).
16. *Upper Illinois River Valley Development Authority ("Authority")*. The Authority promotes economic development within the counties of Grundy, LaSalle, Bureau,



Putnam, Kendall, Kane, McHenry and Marshall in the State of Illinois. The State approves bonds and notes issued by the authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 321 West Main Street, Ottawa, Illinois 61350).

17. *Boards of Trustees of Chicago State University ("CSU"), Eastern Illinois University ("EIU"), Governors State University ("GSU"), Northeastern Illinois University ("NEIU"), Northern Illinois University ("NIU"), Western Illinois University ("WIU"), Illinois State University ("ISU"), Southern Illinois University ("SIU") and University of Illinois ("U of I") ("boards").* The boards of the respective universities operate, manage, control and maintain the schools. The State provides significant financial support to the boards of the universities. Certain universities have donor restricted endowments that are restricted as to spending by the donor which are detailed in their separately issued financial statements. The Uniform Management of Institutional Funds Act permits the boards to spend net appreciation of endowments as they determine to be prudent. (Administrative Offices:

- CSU, 9501 South King Drive, Chicago, Illinois 60628
- EIU, 113 West Old Main, Charleston, Illinois 61920
- GSU, Route 54 & Stuenkel Road, University Park, Illinois 60466
- NEIU, 5500 North St. Louis Avenue, Chicago, Illinois 60625
- NIU, 104 Altgeld Hall, DeKalb, Illinois 60115.
- WIU, 1 University Circle, Macomb, Illinois 61455
- ISU, Campus Box 1200, Normal, Illinois 61790-1200
- SIU, Colyer Hall, Carbondale, Illinois 61801.
- U of I, 346 Administration Building, 506 South Wright, Urbana, Illinois 61801.)

The following component unit must obtain the State's approval for debt issuances:

1. *Will-Kankakee Regional Development Authority ("Authority").* The Authority promotes economic development within the counties of Will and Kankakee in the State of Illinois. The State approves bonds and notes issued by the Authority and is secondarily liable for its debt if there are not sufficient Authority monies to pay principal and interest. (Administrative Offices: 116 North Chicago Street, Two Rialto Square, Joliet, Illinois 60431).

Excluding the following component units from the State's financial statements would be misleading and therefore the component units are included because of the nature of the component units' relationship with the State:

1. *Illinois Health Facilities Authority ("Authority").* The Authority provides assistance and alternative methods of financing private and public institutions, which are consistent with the orderly and economic development of health facilities and services. (Administrative Offices: 180 North Stetson, Suite 1100, Chicago, Illinois 60601).
2. *Illinois Educational Facilities Authority ("Authority").* The Authority provides tax-exempt financing for the acquisition or construction of educational facilities and education loans for private institutions of higher education, certain related not-for-profit academic institutions, private cultural institutions and education loan corporations within the State of Illinois. (Administrative Offices: 105 West Orchard Street, Itasca, Illinois 60143).

#### Joint Venture

The State is a participant with the states of Michigan, Minnesota, New York, Ohio, Pennsylvania and Wisconsin in the Great Lakes Protection Fund ("Fund"), an Illinois not-for-profit corporation. The fund is the nation's first multi-state environmental endowment and was established in 1989 for furthering Federal and

State commitments to programs that restore and maintain the Great Lakes' water quality. This purpose is achieved by providing grant money for projects that promote the objectives of the regional Great Lakes Toxic Substance Control Agreement and the binational Great Lakes Water Quality Agreement.

A state becomes a member of the Fund by agreeing to contribute an amount set forth in the Articles of Incorporation. The required contribution from all member states at incorporation was \$81 million. The Fund's net assets on December 31, 2001 were \$118 million.

Once a state agrees to make the required contribution, that state's governor becomes a "member" of the Fund. Each member is entitled to appoint two individuals to the board of directors. Budgetary and financial decisions rest with the board of directors except where restricted by the Articles of Incorporation. Two-thirds of the Fund's income is used to finance projects compatible with the organization's objectives as set forth in the Articles of Incorporation. The remaining one-third of income is paid to member states in proportion to the amount and period of time that each state's contribution was invested with the Fund ("state shares"). Illinois received a State share for 2001 of \$177 thousand. The affirmative vote of all of the members is required for all actions of the Fund. Complete financial statements of the Fund can be obtained from the Fund's Administrative Offices at 1560 Sherman Avenue, Suite 880, Evanston, Illinois 60201.

#### **Related Organizations**

The State's officials are also responsible for appointing the majority of the boards of other organizations, but the State's accountability does not go beyond making the appointments. The State, generally the Governor, in certain instances with the advice and consent of the Senate, appoints the members of the following boards:

- Central Midwest Interstate Low-Level Radioactive Waste Commission
- Havana Regional Port District
- Kaskaskia Regional Port District
- Mt. Carmel Regional Port District
- Shawneetown Regional Port District

- Southwest Regional Port District
- Tri-City Regional Port District
- Waukegan Port District
- White County Regional Port District
- Illinois Community College System Foundation

The State maintains accounting records for the Central Midwest Interstate Low-Level Radioactive Waste Commission. This is the only related party activities that the State has with the above organizations.

#### **Jointly Governed Organizations**

The State's officials, in conjunction with various other state and local government officials, are members of the boards of other organizations. However, the State has no ongoing financial interest or responsibility except the role of a participant in the various organizations' purpose and, in certain instances, pays annual dues or assessments. The Governor, sometimes with the advice and consent of the Senate, appoints the number of board members (as indicated in parentheses below) of the following organizations:

- Bi-State Development Agency of the Missouri/Illinois Metropolitan District (5 of 10)
- Education Commission of the States (7 of approximately 350)
- Illinois Valley Regional Port District (2 of 5)
- Interstate Mining Commission (1 of 17)
- Jackson/Union Counties Regional Port District (4 of 23)
- Joliet Regional Port District (3 of 7)
- Lawyers Trust Fund (3 of 9)
- Midwestern Higher Education Commission (5 of 60)
- Northeastern Illinois Planning Commission (5 of 34)
- Ohio River Valley Water Sanitation Commission (3 of 24)
- Southwestern Illinois Metropolitan & Regional Planning Commission (8 appointed)
- Wabash Valley Interstate Commission (7 of 14)

The State has no significant related-party activities with the above organizations.

### C. Basis of Presentation

#### Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the primary government (the State) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the State and between the State and its discretely presented component units. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Assets presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- **Invested in capital assets, net of related debt** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.
- **Restricted net assets** result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors and the like, or imposed by law through enabling legislation.
- **Unrestricted net assets** consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often are designated, to indicate that management does not consider them to be available for general operations. They often have resources that are imposed by management, but can be removed or modified.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the State and for each function of the State's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### Fund Financial Statements

The fund financial statements provide information about the State's funds, including fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, generally result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, generally result from nonexchange transactions or ancillary activities.

The State reports the following major governmental funds:

**General** – This is the State's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. These services include, among others, employment and economic development, education (other than institutions of higher

education), and health and social services. Certain resources obtained from federal grants and used to support general governmental activities are accounted for in the General Fund consistent with applicable legal requirements. The State's General Fund contains four primary sub-accounts (General Revenue, Education Assistance, Common School and Medicaid Provider Assessment Program) with numerous secondary sub-accounts.

**Road** – This fund accounts for the activities of the State highway programs including highway maintenance and construction, traffic control and safety and administering motor vehicle laws and regulations. Funding sources include federal aid, State motor fuel taxes and various license and fee charges.

**Motor Fuel Tax** – This fund accounts for the activities of various transportation related program expenditures and the administrative cost of supervising the use of funds apportioned to municipalities, counties and road districts. Funding sources include State motor fuel taxes and an allocation (transfer) of State sales tax collections from the General Fund.

**State Construction Account** – This fund accounts for the construction, reconstruction and maintenance of the State maintained highway system. Funding sources include a portion of motor vehicle registration fees, weight taxes and transfers from the Motor Fuel Tax Fund.

The State reports the following major proprietary funds:

**Unemployment Compensation Trust**– This fund accounts for the activities of the unemployment insurance program including employer contributions, Federal Unemployment Trust advances and benefit claims.

**Water Revolving** — This fund accounts for the activities of a revolving loan program for local government drinking water and sewage treatment infrastructure. Certain loans receivable in the fund are restricted due to revenue bond covenants.

**Illinois Designated Account Purchase Program** –This fund accounts for the activities of the Illinois Designated Account Purchase Program including issuance of bonds and acquisition of student loans from lenders. Certain assets in the fund are restricted due to revenue bond covenants.

Additionally, the State reports the following fund types:

#### **Governmental Fund Types:**

**Special Revenue** - These funds account for resources obtained from specific revenue sources that are legally restricted to expenditures for specified purposes. Special revenues funds account for, among other things, federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

**Debt Service** - These funds account for governmental resources obtained and accumulated to pay interest and principal on general long-term obligations (other than capital leases, workers' compensation and unfunded retirement costs).

**Capital Projects** - These funds account for resources obtained and used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general and special obligation bond issues and certificates of participation.

**Permanent Trust** - These funds account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that benefit the government or its citizens.

**Proprietary Fund Types:**

**Enterprise** - These funds account for operations where the intent of the State is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Internal Service** - These funds account for data processing, printing, fleet management, telecommunications and medical and dental benefits for State employees provided to agencies of the State on a reimbursement basis.

**Fiduciary Fund Types:**

**Pension (and Other Employee Benefit) Trust** - These funds account for resources that are required to be held in trust for the members and beneficiaries of the State's five Public Employee Retirement Systems (PERS) and the Deferred Compensation Plan Fund.

**Investment Trust** - These funds account for the external portion of investment pools sponsored by the State including the Public Treasurer's Investment Pool and the Deferred Lottery Prize Winners Trust Fund.

**Private Purpose Trust** - These funds account for resources legally held in trust for use by individuals, private organizations and other governments. There is no requirement that any portion of these resources be preserved as capital.

**Agency** - These funds account for the various taxes, deposits, deductions and property collected by the State, acting in the capacity of an agent, for distribution to other governmental units or designated beneficiaries.

**Component Units:**

The State reports the following major component units:

Illinois Housing Development Authority--This Authority makes loans and issues notes and bonds for the acquisition, construction, and rehabilitation of housing and to make loans to encourage home ownership.

Illinois State Toll Highway Authority--This Authority operates a toll highway system to promote the public welfare, and to facilitate vehicular traffic by providing convenient, safe, modern, and limited access highways within Illinois.

Board of Trustees of Illinois State University--This Board operates, manages, controls, and maintains Illinois State University. The Board was created on January 1, 1996 with the dissolution of the Board of Regents.

Board of Trustees of Northern Illinois University--This Board operates, manages, controls, and maintains Northern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Regents.

Board of Trustees of Southern Illinois University--This Board operates, manages, controls, and maintains Southern Illinois University. The Board was created on July 1, 1949. Southern Illinois University consists of campuses at Carbondale and Edwardsville. In addition, the University operates a medical school.

Board of Trustees of University of Illinois--This Board manages the University of Illinois. The Board is a separately elected body created by law on July 1, 1876. The University of Illinois consists of campuses at Champaign-Urbana, Springfield, and Chicago. In addition, the University operates a medical school.

The State appropriates support monies for university programs, capital projects and on-behalf retirement and insurance payments which are recorded in the general revenue category of State appropriations on the Statement of Net Assets for component units.

**D. Measurement Focus and Basis of Accounting**

**Government-wide, Proprietary and Fiduciary Fund Financial Statements**

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include income taxes, excise taxes, wealth taxes, grants, entitlements and donations. On an accrual basis, revenues from self assessed taxes, principally income, excise and wealth taxes, are recognized in the fiscal year in which the underlying exchange transaction occurs. Revenue from grants, entitlements and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

**Governmental Fund Financial Statements**

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, principal and interest on general long-term debt, claims and judgments and compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Significant revenue sources which are susceptible to accrual include individual and corporate income taxes, sales taxes, public utility taxes, motor fuel taxes and interest. All other revenue sources including fines, penalties, licenses and other miscellaneous revenues are considered to be measurable and available only when cash is received.

**Private-Sector Standards**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The State also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The State generally has elected not to follow subsequent private-sector guidance.

The following major agencies, departments or component units, however, have elected to apply all applicable private-sector standards (i.e. statements and interpretations of the Financial Accounting Standards Board):

- Illinois Student Assistance Commission
- Comprehensive Health Insurance Plan Board
- Illinois Farm Development Authority

**E. Eliminations**

Eliminations have been made in the government-wide statement of net assets to minimize the “grossing-up” effect on assets and liabilities within the governmental and business-type activities columns of the primary government. As a result, amounts reported in the funds as interfund receivables and payables have been eliminated in the governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Amounts reported in the funds as receivable from or payable to fiduciary funds have been included in

the statement of net assets as receivable from and payable to external parties, rather than as internal balances.

Eliminations have been made in the statement of activities to remove the “doubling-up” effect of internal service fund activity. The effect of similar internal events that are, in effect, allocations of overhead expenses from one function to another or within the same function also have been eliminated, so that the allocated expenses are reported only by the function to which they were allocated.

#### ***F. Cash Equivalents***

Cash equivalents are defined as short-term, highly liquid investments readily convertible to cash with original maturities of three months or less. Cash equivalents consist principally of certificates of deposit, repurchase agreements and U.S. treasury bills and are stated at cost.

#### ***G. Investments***

Investments are reported at fair value. Generally, the State’s pension systems’ marketable securities are valued at closing prices listed on national securities exchanges and quotes from independent pricing services as of June 30. Real estate and venture capital are valued based upon appraisals and discounted cash flow analysis.

The Illinois Funds operates as a 2a7-like pool and thus reports all investments at amortized cost rather than market value. The fair value of the pool is the same as the value of the pool shares. The Treasurer’s investment policies are governed by State statute. In addition, the Treasurer’s Office has adopted its own investment practices that supplement the statutory requirement. The Treasurer’s Office issues a separate financial report for The Illinois Funds. It may be obtained by contacting the Administrative Office at Jefferson Terrace, 300 West Jefferson Street, Second Level, Springfield, Illinois 62702.

Investment income is recorded as revenue in the General Fund, except for resources of retirement systems and certain other individual funds that are

statutorily authorized to be separately invested and specifically credited with the income realized thereon. The State’s financial statements contain certain investments that meet the definition of “derivatives.” Derivative investments are included in the pension trust funds are described in more detail in Note 3.

#### ***H. Inventories***

For governmental funds, the State recognizes the costs of material inventories as expenditures when purchased. At year-end, physical counts are taken of significant inventories for the governmental fund types and are generally reported on the balance sheet at moving-average cost. Inventories reported in the governmental funds do not reflect current appropriable resources, and therefore, the State reserves an equivalent portion of fund balance.

#### ***I. Interfund Transactions***

The State has the following types of interfund transactions:

**Services provided and used**—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts at year-end are reported as interfund receivables and payables in the fund balance sheets or fund statements of net assets.

**Reimbursements**—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

**Transfers**—flows of assets (such as cash or goods) between funds without equivalent flows of assets in return and without a requirement for repayment. In

governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

### ***J. Capital Assets***

Capital assets, which includes property, plant, equipment and infrastructure, are reported at cost or estimated historical cost based on appraisals or deflated current replacement costs. Contributed assets are reported at estimated fair value at the time received.

Capitalization thresholds of the primary government generally are as follows:

Capital Asset Category	Capitalization Threshold
Infrastructure	\$ 1,000,000
Land	\$ 100,000
Land Improvements	\$ 25,000
Site Improvements	\$ 25,000
Buildings	\$ 100,000
Building Improvements	\$ 25,000
Equipment	\$ 5,000
Works of Art, Historical Treasures	\$ 5,000

Certain component units, however, may have adopted different capitalization thresholds. These thresholds can be obtained from their separately issued financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as project costs are incurred. Interest incurred during the construction phase of capital assets used in business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Capital Asset Category	Estimated Useful Lives (In Years)
Infrastructure	5-50
Land	N/A
Land Improvements	N/A
Site Improvements	3-50
Buildings	10-60
Building Improvements	10-45
Equipment	3-25
Works of Art, Historical Treasures	5-7

### ***K. Retirement Costs***

Substantially all State employees, including members of the General Assembly and Judicial Branch, participate in one of three State public employee retirement systems (see Note 15). The State also maintains and funds public employee retirement systems for employees of the various State supported universities and for public school teachers in cities other than Chicago. It is the State's policy to fund retirement costs without regard to amounts calculated under the actuarial requirements. Based on actuarial consultations, the State's contributions have been less than the retirement benefits paid during the year for the last twenty-one fiscal years. Prior to fiscal year 1982, the State had funded the retirement costs at a level at least as great as the retirement benefits paid during the year.

Annual pension cost (APC) is recorded as an expense in the government-wide statement of activities and is comprised of the employer's (State's) annual required contribution (ARC), which equals normal cost plus interest on unfunded prior service costs and amortization of prior service cost over forty years, one year's interest on the net pension obligation and an adjustment to the ARC to offset the effect of actuarial amortization of past under or over contributions.



### ***L. Capital Appreciation (“deep-discount”) Bonds***

Capital appreciation bonds are those bonds that are issued at stated interest rates significantly below their effective interest rate, resulting in a substantial discount. The implicit interest (i.e., discount) is not paid until the bonds mature. Therefore, the net value of the bonds “accrete” (i.e., the discount is reduced) over the life of the bonds. Capital appreciation bonds are reported in the government-wide statement of net assets at their accreted value.

### ***M. Compensated Absences***

The liability for compensated absences reported in the government-wide, proprietary and fiduciary fund financial statements consists of unpaid, accumulated vacation and sick leave balances. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability has been calculated using the vesting method, in which leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments are included. The liability has been calculated based on the employees’ current salary level and includes salary related costs (e.g., social security and Medicare tax).

Legislation that became effective January 1, 1998 capped the paid sick leave for all State Employees’ Retirement System members at December 31, 1997. Employees continue to accrue twelve sick days per year, but will not receive monetary compensation for any additional time earned after December 31, 1997.

Sick days earned between 1984 and December 31, 1997 (with a 50% cash value) would only be used after all days with no cash value are depleted. Any sick days earned and unused after December 31, 1997 will be converted to service time for purposes of calculating employee pension benefits.

Component unit financial statements also include a liability for compensated absences. However, they may have adopted different compensated absences policies. These policies can be obtained from their separately issued financial statements.

### ***N. Bond Premiums, Discounts, and Issuance Costs***

In the government-wide and proprietary fund financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### ***O. Advance Refundings of Debt***

In the government-wide and proprietary fund financial statements, gains and losses from advance refundings of debt resulting in defeasance are deferred and amortized as a component of interest expense over the shorter of the remaining life of the old debt or the life of the new debt using the effective interest method. Bonds payable are reported net of these deferred gains and losses.

### ***P. Net Assets/Fund Balances***

The difference between fund assets and liabilities is “Net Assets” on governmental-wide, proprietary and fiduciary fund financial statements, and “Fund Balance” on governmental fund financial statements.

Fund balances of governmental funds that are legally restricted by outside parties for use for a specific purpose are reported as reservations of fund balance.

**Q. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**R. New Accounting Pronouncements**

Effective July 1, 2001, the State adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*; Statement No. 35, *Basic Financial Statements—and Management's Discussion and Analysis—for Public College and Universities*; and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. These Statements establish new financial reporting requirements and significantly change the format and content of the State's financial statements. They require new information and restructure much of the information that the State has presented in the past.

Effective July 1, 2001, the State adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain financial statement note disclosures.

Effective July 1, 2001, the State adopted the provision of Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and*

*Expenditures in Governmental Fund Financial Statements*. This Interpretation clarifies the application of standards for modified accrual recognition of certain liabilities and expenditures in governmental funds. There was no significant impact on the State's financial statements as a result of adopting this Interpretation.

## 2 RESTATEMENT

The provisions of the new accounting standards issued by GASB, as discussed in Note 1-R, have been incorporated into the financial statements and notes. The following table summarizes (in thousands) changes to fund equities as previously reported on the Combined Balance Sheet. The changes resulted primarily from implementation of these GASB standards, however, other restatements to certain funds are discussed below.

The Income Tax Refund Fund, a sub-account of the General Fund, has been restated to reflect the correction of an error in accounting for amounts

due to other funds. The Federal Student Loan Fund and the Federal Reserve Recall Fund, non-major governmental funds of the Illinois Student Assistance Commission, have been restated due to a change in the State's regulations for the reporting of fund balances of federal funds as liabilities to the Federal government rather than as fund balances. In addition, the General Fund, the Road Fund and other special revenue funds have been restated to properly display matured liabilities connected with workers compensation and auto liability.

Table 2-1 (amounts expressed in thousands)

	June 30, 2001, As Previously Reported	Fund and Account Groups Reclassifications	Prior Period Adjustments	June 30, 2001, As Restated
<b>GOVERNMENTAL FUNDS AND GOVERNMENTAL ACTIVITIES</b>				
<b>Major Funds:</b>				
General Fund	\$ (1,277,934)	\$ --	\$ (86,944)	\$ (1,364,878)
Previously reported as Special Revenue Funds:				
Road Fund	--	880,030	20,128	900,158
Motor Fuel Tax Fund	--	114,602		114,602
State Construction Account	--	379,773		379,773
Total Major Funds	(1,277,934)	1,374,405	(66,816)	29,655
<b>Nonmajor Funds:</b>				
Special Revenue Funds				
Water Revolving Fund	1,134,446	(1,307,107)	172,661	--
Other Special Revenue Funds	3,130,527	(1,313,435)	652	1,817,744
Total Special Revenue Funds	4,264,973	(2,620,542)	173,313	1,817,744
Debt Service Funds				
Illinois Civic Center BR&I Fund	22,140		6,595	28,735
Other Debt Service Funds	796,342			796,342
Total Debt Service Funds	818,482	--	6,595	825,077
Capital Projects Funds				
Capital Development Fund	45,381		250	45,631
Other Capital Projects Funds	318,036			318,036
Total Capital Projects Funds	363,417	--	250	363,667
Permanent Funds	--	2,908	--	2,908
Total Nonmajor Funds	5,446,872	(2,617,634)	180,158	3,009,396
Total Governmental Funds	4,168,938	(1,243,229)	113,342	3,039,051

Footnote 2-1 continued (amounts expressed in thousands)

	June 30, 2001, As Previously Reported	Fund and Account Groups Reclassification	Prior Period Adjustments	June 30, 2001, As Restated
<b>Adoption of GASB Statement No. 34</b>				
Capital assets, net of depreciation		6,217,376	8,934,765	15,152,141
General obligation bonds payable			(7,350,525)	(7,350,525)
Special obligation bonds payable			(1,932,440)	(1,932,440)
Net pension obligation			(13,720,714)	(13,720,714)
Compensated absence obligations payable			(524,311)	(524,311)
Capital lease and installment purchase obligations			(40,686)	(40,686)
Certificates of participation obligations			(146,010)	(146,010)
Workers' compensation obligations			(134,849)	(134,849)
Department of Nuclear Safety obligation			(17,500)	(17,500)
Cape Girardeau bridge obligation			(18,221)	(18,221)
Other obligations			(18,866)	(18,866)
Accrued interest on long-term obligations			(78,980)	(78,980)
Revenue recognition			610,218	610,218
Internal service fund conversion		122,227	6,914	129,141
Total Adoption of GASB Statement No. 34	--	6,339,603	(14,431,205)	(8,091,602)
<b>Total Governmental Funds and Governmental Activities</b>	4,168,938	5,096,374	(14,393,912)	(5,052,551)
<b>PROPRIETARY FUNDS AND BUSINESS-TYPE ACTIVITIES</b>				
<b>Major Fund:</b>				
Unemployment Compensation Fund	--	2,164,285	80,116	2,244,401
Water Revolving Fund	--	1,307,107		1,307,107
Designated Account Purchase Program	--	107,427		107,427
<b>Nonmajor Funds:</b>	153,798	(118,003)	1,961	37,756
Total Proprietary Funds	153,798	3,460,816	82,077	3,696,691
<b>Internal Service Funds</b>	124,975	(123,073)	(1,902)	--
<b>Total Proprietary Funds and Business-Type Activities</b>	278,773	3,337,743	80,175	3,696,691
<b>FIDUCIARY FUNDS</b>				
Pension Trust Funds	42,891,279	1,797,318		44,688,597
Investment Trust Funds	5,040,204	108,918		5,149,122
Private Purpose Trust Funds	--	2,328		2,328
Funds previously reported as:				
Expendable Trust Funds	4,189,110	(4,111,309)	(77,801)	--
Nonexpendable Trust Funds	14,005	(13,996)	(9)	--
<b>Total Fiduciary Funds</b>	52,134,598	(2,216,741)	(77,810)	49,840,047
<b>ACCOUNT GROUPS</b>				
General Fixed Asset	6,217,376	(6,217,376)		--
General Long-term Debt	--			--
<b>Total Account Groups</b>	6,217,376	(6,217,376)	--	--
<b>TOTAL PRIMARY GOVERNMENT</b>	\$ 62,799,685	\$ --	\$ (14,391,547)	\$ 48,484,187
<b>TOTAL COMPONENT UNITS</b>	\$ 9,383,587	\$ --	\$ (3,475,967)	\$ 5,907,620

## 3

**DEPOSITS AND INVESTMENTS**

The State Treasurer is the custodian of the State's cash, cash equivalents and investments for most funds maintained in the State Treasury. Funds maintained outside the State Treasury (locally held funds) have independent authority to manage their own cash and investments. As described later, the funds of the State's retirement systems are invested separately.

***Investment Policy –*****General**

Statutes authorize public agencies, including the State of Illinois primary government and its component units, to engage in a wide variety of investment activities. These include bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the United States; interest-bearing savings accounts, certificates of deposit, interest-bearing time deposits or any other investments that constitute direct obligations of any bank; short-term obligations of certain qualified United States corporations; short-term discount obligations of the Federal National Mortgage Association; shares or other securities legally issued by certain state or federal savings and loan associations; insured dividend-bearing share accounts and certain other accounts of chartered credit unions; certain money market mutual funds; Public Treasurer's Pool; and repurchase agreements that meet certain instrument and transaction requirements. Statutes require that investments purchased must mature or be redeemable prior to the date they will be needed to pay expenditures.

The investments of the State's five retirement systems (classified as pension trust funds) are governed by the State Pension Code. Authorized investments consist of bonds, equities, real estate, venture capital and other activities that are consistent with the "prudent person" rule. The "prudent person" rule, as adopted by the Illinois General Assembly in 1982, states that fiduciaries must discharge their duties with the care, skill, prudence and diligence which a prudent person

acting in a like capacity and familiar with such matters would use under conditions prevailing at the time.

The Illinois State Board of Investment (ISBI) is considered to be an internal investment pool of the State of Illinois, operating solely from investment income. The Board manages and invests the pension assets of three of the State's retirement systems: General Assembly Retirement System, the Judges Retirement System, and State Employees' Retirement System.

In addition to statutory requirements, primary government agencies and component units have adopted their own supplemental investment practices, which further regulate such activities.

**Derivatives**

Certain State agencies, principally Teachers' Retirement System (TRS), ISBI and State Universities Retirement System (SURS), invest in derivative securities. These derivative securities have been authorized by the policies of the applicable State agencies and the Illinois Compiled Statutes. A derivative security is an investment whose return on investment depends upon the underlying value of other assets such as commodity prices, bond and stock prices or a market index. In general, a derivative is used to modify exposure to undesirable risks, to increase portfolio liquidity and flexibility or to enhance investment yields within the level of risk defined in the agency's investment guidelines.

Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to the established terms. In order to eliminate credit risk, all derivative securities of TRS, ISBI and SURS are done through a clearinghouse which guarantees delivery and accepts the risk of

default by either party. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by TRS, ISBI and SURS by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by governing bodies and senior management, and the risk positions of the investment managers are reviewed periodically to monitor compliance with limits.

TRS, ISBI and SURS invest in the following types of derivatives: foreign currency forward contracts, collateralized mortgage obligations, financial futures and financial options.

Foreign currency forward contracts are used to hedge against the currency risk in agencies' foreign stock and fixed income security portfolios. Foreign currency forward contracts are an agreement to buy or sell a specific amount of a foreign currency at a specified delivery or maturity date for an agreed upon price. Fluctuations in the market value of foreign currency forward contracts are recognized as incurred rather than at the maturity or settlement date of the contract. Foreign currency forward contracts represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts.

Financial futures are agreements to buy or sell a specific amount of an asset at a specified delivery or maturity date for an agreed-upon price. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to the clearinghouse. Financial futures represent an off-balance sheet obligation because there are no balance sheet assets or liabilities associated with those contracts.

Financial options are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified

price, called the strike price, on or before a specified expiration date. As writers of financial options, TRS and SURS receive a premium at the outset of the agreement and bear the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums received are recorded as a liability when the financial option is written. Fluctuations in the fair value of financial options are recognized in the financial statements as incurred rather than at the time the options are exercised or when they expire. As a purchaser of financial options, SURS pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option. Premiums paid are recorded as an asset when the financial option is purchased and gains/losses are recognized when the options are exercised by the agency or they expire.

As of June 30, 2002, TRS's fair value (expressed in thousands) of option contracts written was (\$665). The fair value of option contracts written represents the amount to be paid to close all positions as of that date.

Table 3-1 (amounts expressed in thousands)			
Type of Derivative Contract	Contractual Principal Outstanding*		
	Teachers' Retirement System	Universities Retirement System	Illinois State Board of Investment
Domestic interest rate products			
Fixed income futures	\$ 224,125	\$ 234,000	
Fixed income put options (written, purchased)		2,265,400	
Fixed income call options (written)	14,111	106,700	
International interest rate products			
Fixed income futures		514,604	
Fixed income call options (written, purchased)		48,392	
Domestic Equity Products			
S & P 500 Index and other equity futures purchased	785,892	237,624	
Foreign Currency Products			
Forward foreign currency futures (net)	112,577		\$ 512
Currency put options (written)	84,582		
* The contractual principal amounts listed above represent the fair value of the underlying assets the derivative contracts control. Contractual principal values do not represent actual balance sheet values.			

The preceding table represents the derivative positions held by TRS, ISBI and SURS at June 30, 2002 in financial futures and financial options. Additional information concerning the derivative investments of TRS, ISBI and SURS can be obtained from their separately issued annual reports.

Contractual principal amounts are often used to express the volume of these transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk.

### ***Deposits –***

#### **Primary Government**

As of June 30, 2002, the carrying amount (amounts expressed in thousands) of cash deposits for the primary government was \$1,560,046 and the bank balance was \$1,999,591. Of the bank balance, \$1,992,155 was covered by federal depository insurance or by collateral held by the

State or the State's agent in the State's name, \$2,706 was covered by collateral held in the pledging bank's trust department or by its agent in the State's name, and \$4,730 was uninsured and uncollateralized.

#### **Component Units**

As of June 30, 2002, the carrying amount (amounts expressed in thousands) of the State's component units' cash deposits was \$591,179 and the bank balance was \$644,979. Of the bank balance, \$604,464 was covered by federal depository insurance or by collateral held by the State or the State's agent in the State's name, \$11,746 was covered by collateral held in the pledging bank's trust department or by its agent in the State's name, and \$28,769 was uninsured and uncollateralized. By statute, public monies deposited in financial institutions must either be collateralized; insured by an agency of the federal government; or not exceed 75% of the capital stock and surplus, 75% of the net worth, or 50% of the unimpaired capital and surplus of a financial institution.

**Investments –**

Investments are categorized below to give an indication of the level of custodial credit risk assumed by the State at June 30, 2002. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments (whether or not held in the State's name) and securities held by any other party (State's agent, counterparty's trust department or agent) but not in the State's name.

Additionally, the State had \$1.1 billion in investments with the U.S. Treasury for the payment of unemployment claims which are not subject to categorization.

The master repurchase agreements utilized by the Treasurer require the broker or financial institution to maintain the fair value of collateral securities at 102% of the agreement. The carrying amount (amounts expressed in thousands), including accrued interest, was approximately \$1,666,425 and the fair value of the collateral securities to be resold based on commitments under the repurchase agreements was approximately \$1,719,676 as of June 30, 2002.

Table 3-2 (amounts expressed in thousands)

	Category			Fair Value
	1	2	3	
<b>Primary Government</b>				
<b>Governmental and Business-Type Activities</b>				
Categorized:				
Repurchase agreements	\$ 1,678,346	\$ 28,100		\$ 1,706,446
U.S. Treasury and Agency obligations	1,019,390		\$ 454,267	1,473,657
Commercial paper	2,164,026			2,164,026
Corporate debt securities	34,350			34,350
Corporate equity securities	--		\$ 117,282	117,282
Total categorized investments	<u>\$ 4,896,112</u>	<u>\$ 28,100</u>	<u>\$ 571,549</u>	5,495,761
Investments not subject to categorization:				
Investment contracts/security				
lending investment pools				43,263
Investment in mutual funds				998,559
Investments not held for Income or Profit				10,354
US Treasury Investments held for				
unemployment claims				<u>1,111,069</u>
Total investments				<u>\$ 7,659,006</u>



Table 3-3 (amounts expressed in thousands)

	Category			Fair Value
	1	2	3	
Fiduciary Funds				
Categorized:				
Repurchase agreements	\$ 2,597,573	\$ 12,609		\$ 2,610,182
U.S. Treasury and Agency obligations	8,583,332		\$ 60,832	8,644,164
Commercial paper	138,179			138,179
Corporate debt securities	7,535,267	2,979	17,160	7,555,406
Corporate equity securities	13,408,909		136	13,409,045
Total categorized investments	\$ 32,263,260	\$ 15,588	\$ 78,128	32,356,976
Investments not subject to categorization:				
Investment contracts/security				
lending investment pools				3,209,304
Private Equity				594,153
Currency Investments				23,956
Investments held by broker-dealers under securities loans:				
Corporate Debt				1,431,418
Corporate Equity				894,791
Collective investment funds				1,163,740
Tangible property				2,551,493
Investment in mutual funds				9,177,980
Total Investments				\$ 51,403,811

Table 3-4 (amounts expressed in thousands)

	Category			Fair
	1	2	3	Value
Component Units				
Categorized:				
Repurchase agreements	\$ 39,119	\$ 132,601		\$ 171,720
U.S. Treasury and Agency obligations	776,340	147,116	\$ 15,434	938,890
Commercial paper	26,943		9,136	36,079
Corporate debt securities	284,234	42,230	269	326,733
Corporate equity securities	276,794	5,010	3,993	285,797
Total categorized investments	<u>\$ 1,403,430</u>	<u>\$ 326,957</u>	<u>\$ 28,832</u>	\$ 1,759,219
Investments not subject to categorization:				
Investment contracts				363,496
Tangible property				60,711
Investment in mutual funds				<u>1,098,077</u>
Total Investments				<u>\$ 3,281,503</u>

*Securities Lending Transactions –*

The investment policies of certain State agencies, principally the retirement systems and certain universities, permit them to enter into securities lending transactions. In these transactions, the agency loans their securities to broker-dealers and other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The agencies' securities custodians are agents in lending the securities for collateral of at least 102% of the fair value of the securities. Collateral can consist of cash, cash equivalents, government securities, commercial paper or irrevocable letters of credit. Depending on their nature, securities on loan at year-end are presented as classified or unclassified in the preceding schedule of custodial credit risk. Generally, at year-end, agencies had no credit risk exposure to borrowers because the amounts they owed to borrowers exceeded the amounts borrowers owed the agencies and maturities on non-cash collateral received are longer than the lesser of the maturities of the securities lent or the term of the lending transactions. Policies regarding indemnification vary among agencies. Some agencies' contracts with custodians require them to indemnify the agency if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or the borrowers fail to pay the agency for income distributions by the securities' issuers while the securities are out on loan. Other agencies have no provisions for indemnification.

Generally, securities loans can be terminated on demand by either the agency or the borrower, although the average term of the loans is 10 to 29 days. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end has a weighted average maturity of 30 to 51 days. The relationship between the maturities of the investment pool and the agency's loans are affected by the maturities of the securities loans made by other entities that use the agent's pool, which the agency cannot determine. The agencies cannot pledge or sell collateral securities received unless the borrower defaults.

As of June 30, 2002, agencies had outstanding loaned investment securities (amounts expressed in thousands) having a fair value of \$4,026,745 against which they had received collateral having a fair value of \$4,170,018.

*Reconciliation to Statement of Net Assets and Statement of Fiduciary Net Assets -*

The Statement of Net Assets and Statement of Fiduciary Net Assets account cash and cash equivalents contains certain short-term investments (included as investments above) to reflect their liquidity. In addition, the disclosures related to deposits and investments above include certain items that the Statement of Net Assets and the Statement of Fiduciary Net Assets show as restricted assets or other assets. A reconciliation follows:

Table 3-5 (amounts expressed in thousands)

	<b>Primary Government</b>	
	Deposits	Investments
Amounts Per Note:	\$ 1,560,046	\$ 59,062,817
Cash Equivalents	4,897,248	(4,897,248)
Restricted Assets	(88,946)	(454,267)
Other Assets	(18,009)	(1,303,364)
<b>Total</b>	<b>\$ 6,350,339</b>	<b>\$ 52,407,938</b>
Amount per Statement of Net Assets	\$ 4,889,794	\$ 2,207,222
Amount per Fiduciary Funds Statement of Net Assets	1,460,545	50,200,716
<b>Total</b>	<b>\$ 6,350,339</b>	<b>\$ 52,407,938</b>

Table 3-6 (amounts expressed in thousands)

	<b>Component Unit</b>	
	Deposits	Investments
Amounts Per Note:	\$ 591,179	\$ 3,281,503
Cash Equivalents	464,643	(464,643)
Restricted Assets	(53,613)	(785,533)
Other Assets	161	1,904
<b>Amounts per Statement of Net Assets</b>	<b>\$ 1,002,370</b>	<b>\$ 2,033,231</b>

**4****TAXES RECEIVABLE**

Taxes receivable for the primary government at June 30, 2002 are as follows:

Table 4-1 (amounts expressed in thousands)

	Income	Sales	Motor fuel	Public utility	Unemploy- ment Comp- ensation	Other	Less Allowance for Uncollectible taxes	Total
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
General Fund	\$ 662,268	\$ 621,543		\$ 22,680		\$ 242,235	\$ 595,444	\$ 953,282
Motor Fuel Tax Fund			\$ 237,587				59,512	178,075
Non-major Funds	68,944	195,120	10,980	14,371		32,011	112,178	209,248
Total governmental activities	731,212	816,663	248,567	37,051	\$ --	274,246	767,134	1,340,605
<b>Business-Type Activities:</b>								
Unemployment Compensation Trust Fund					327,084		69,299	257,785
Total business-type activities	--	--	--	--	327,084	--	69,299	257,785
Total Primary Government	<u>\$ 731,212</u>	<u>\$ 816,663</u>	<u>\$ 248,567</u>	<u>\$ 37,051</u>	<u>\$ 327,084</u>	<u>\$ 274,246</u>	<u>\$ 836,433</u>	<u>\$ 1,598,390</u>
<b>Fiduciary Funds:</b>	<u>\$ 706</u>	<u>\$ 56,917</u>	<u>\$ 34,972</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,438</u>	<u>\$ --</u>	<u>\$ 101,033</u>

## 5

**INTERFUND BALANCES AND ACTIVITY**

Interfund due to and due from balances at June 30, 2002 consisted of the following:

Table 5-1 (amounts expressed in thousands)

Due To	Due From										Total
	General Fund	Road Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Unemployment Compensation Trust Fund	Water Revolving Fund	Designated Account Purchase Program Fund	Non-major Enterprise Funds	Internal Service Funds	Fiduciary Funds	
General Fund	\$ --	\$ 6,219	\$ --	\$ 39,657	\$ --	\$ --	\$ --	\$ 308	\$ 3	\$ 29,491	\$ 75,678
Road Fund	--	--	29,105	--	--	--	--	--	--	--	29,105
State Construction Account Fund	--	67,569	18,893	--	--	--	--	--	--	--	86,462
Non-major Governmental Funds	142,709	17,916	2,675	82,736	4,137	39	--	17,632	347	6,764	274,955
Unemployment Compensation Trust Fund	2,568	638	--	27	--	--	--	--	--	1	3,234
Designated Account Purchase Program Fund	--	--	--	--	--	--	--	3,681	--	--	3,681
Non-major Enterprise Funds	46,641	--	--	1,244	--	--	10,205	--	--	890	58,980
Internal Service Funds	219,578	10,985	5	11,378	--	--	--	2,924	2,167	6	247,052
Fiduciary Funds	22,221	2,604	222	31,803	--	--	--	10	134	662	57,656
<b>Total</b>	<b>\$ 433,717</b>	<b>\$ 105,931</b>	<b>\$ 50,900</b>	<b>\$ 166,845</b>	<b>\$ 4,137</b>	<b>\$ 39</b>	<b>\$ 10,205</b>	<b>\$ 24,555</b>	<b>\$ 2,651</b>	<b>\$ 37,823</b>	<b>\$ 836,803</b>

Interfund due to and due from balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers activity at June 30, 2002 consisted of the following:

Table 5-2 (amounts expressed in thousands)

Transfers In	Transfers Out										Total
	General Fund	Road Fund	Motor Fuel Tax Fund	Non-major Governmental Funds	Unemployment Compensation Trust Fund	Water Revolving Fund	Designated Account Purchase Program Fund	Non-major Enterprise Funds	Internal Service Funds		
General Fund	\$ --	\$ --	\$ --	\$ 1,290,989	\$ --	\$ --	\$ --	\$ 551,670	\$ 3	\$ 1,842,662	
Road Fund	--	--	321,755	104	--	--	--	--	--	321,859	
State Construction Account Fund	--	--	222,012	--	--	--	--	--	--	222,012	
Non-major Governmental Funds	1,976,366	215,204	62,196	678,700	11,454	521	556	1,006	--	2,946,003	
Water Revolving Fund	--	--	--	29,000	--	--	--	--	--	29,000	
Non-major Enterprise Funds	2,000	--	--	--	--	--	--	--	--	2,000	
Internal Service Funds	--	--	--	1,331	--	--	--	--	--	1,331	
	\$ 1,978,366	\$ 215,204	\$ 605,963	\$ 2,000,124	\$ 11,454	\$ 521	\$ 556	\$ 552,676	\$ 3	\$ 5,364,867	

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts to debt service funds as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

In the year ended June 30, 2002, the State made a one-time transfer of \$225 million from the Tobacco Settlement Fund, a non-major governmental fund, to the Budget Stabilization Account of the General Fund.

## 6

**LOANS AND NOTES RECEIVABLE**

Loans and notes receivable at June 30, 2002, consisted of the following:

Table 6-1 (amounts expressed in thousands)

	Primary Government					Component Units
	General Fund	Non-major Governmental Funds	Water Revolving Fund	Designated Account Purchase Program Fund	Fiduciary Funds	
Mortgage loan program	\$ 4	\$ 128				\$ 1,819,181
Student loan program	27,114	1,572		\$ 2,055,519	\$ 136	116,847
Local government infrastructure			\$ 1,036,087			83,189
Business loan program	29,385					
Port district construction	15,288					
Other	3,159	124,328				2,235
	<u>\$ 74,950</u>	<u>\$ 126,028</u>	<u>\$ 1,036,087</u>	<u>\$ 2,055,519</u>	<u>\$ 136</u>	<u>\$ 2,021,452</u>
Less: Allowance for uncollectible accounts	<u>61,207</u>	<u>1,687</u>		<u>5,720</u>		<u>44,235</u>
Total	13,743	124,341	1,036,087	2,049,799	136	1,977,217
Less: Amounts representing restricted assets			280,513	2,049,799		
Loans and notes receivable, net	<u>\$ 13,743</u>	<u>\$ 124,341</u>	<u>\$ 755,574</u>	<u>\$ --</u>	<u>\$ 136</u>	<u>\$ 1,977,217</u>

A portion of the General fund type business loan programs (\$29.4 million) represents various funds' pooled resources that the State has invested in a pilot mortgage program since fiscal year 1983. The only remaining program is categorized as a hotel loan and is discussed below.

Effective January 12, 1987, two of the program's outstanding mortgage loans aggregating \$28.9 million were restructured. One of these loans with an original balance of \$15.5 million was restructured again effective January 1, 1990. The remaining loan totaling \$13.4 million in original value was restructured effective January 1, 1991. Through June 30, 1998, the Treasurer recorded a provision for the write-down of \$17.1 million for these two properties based on independent valuations. These two loans have been classified as non-performing assets.

In 1995, the Treasurer authorized the trustee to sell the mortgage loans. However, the Attorney General opined that both his and the Governor's

consent were required which was not provided. Affiliates of the owners of the hotel loans filed a lawsuit against the trustee and the Treasurer seeking specific performance of the buy-sell agreement on the agreed-to terms.

On October 31, 1997, the trustee filed suit against the Hotel ventures for making improper deductions in determining payments due, creating a default and making the loan balances due upon demand. At the time of the filing of the suit, the trustee presented letters of credit with a value of \$2.7 million, which serve as collateral for the loans of one of the properties, for collection. The ventures obtained a restraining order to prevent collection of the letters of credit. On March 13, 2000, the Circuit Court in Madison County entered a judgment order requiring the Trustee and Treasurer to sell the mortgage loans on the hotel properties to the plaintiffs. The court found that the plaintiffs were ready, willing and able to perform the buy-sell agreements at the time originally set for closing in 1995. The Trustee and the Treasurer are appealing the order.

Briefings on the appeal were completed in February 2001 with oral arguments to order. No ruling has yet been issued on the arguments.

The two lawsuits were filed in Cook County. The affiliates of the owners of the hotel loans asked the Court to stay the lawsuits while the Madison County action was pending, and their motions were granted. After the final judgment was entered in the Madison County case, the Judge in the Cook County matter who is presiding over one of the lawsuits lifted his stay. Plaintiffs in the Madison County case then asked the Court to hold the trustee and its counsel in contempt for pursuing the Cook County case. Eventually, the trustee petitioned the Illinois Supreme Court for a supervisory order to allow it to proceed prosecuting the Cook County case without being held in contempt by the Madison County Court. The Supreme Court issued such a supervisory order in the fall of 2001, and the Cook County case is now proceeding. However, the other lawsuit remains stayed. As a result of discovery in the case which is proceeding, the trustee has determined that there have been additional events of default, and as a result, the trustee has now filed an amended complaint. The outcome of this litigation is not presently determinable.

The write-down of the above Hotel loans is not considered forgiveness of the obligations and collection efforts will continue for the entire loan balance including principal and interest.

## 7

## CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2002 was as follows:

Table 7-1 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Primary Government Governmental Activities</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 2,017,267	\$ 163,740	\$ 392	\$ 8,551	\$ 2,189,166
Historical treasures and works of art	35,574	66	145	2,217	37,712
Construction in progress	302,627	268,228	—	(303,531)	267,324
Total capital assets not being depreciated	2,355,468	432,034	\$ 537	(292,763)	2,494,202
<b>Capital assets being depreciated:</b>					
Infrastructure	18,018,154	1,244,828	358,632	--	\$ 18,904,350
Site improvements	466,336	3,976	-	40,289	510,601
Buildings and building improvements	3,233,726	15,952	-	228,469	3,478,147
Equipment	1,015,068	95,530	39,423	(10,473)	1,060,702
Historical treasures and works of art	130	--	--	--	130
Total capital assets being depreciated	22,733,414	1,360,286	398,055	258,285	23,953,930
<b>Less accumulated depreciation for:</b>					
Infrastructure	7,649,833	806,800	358,632	--	\$ 8,098,001
Site improvements	176,810	26,305	--	159	203,274
Buildings and building improvements	1,360,155	99,184	1,495	(583)	1,457,261
Equipment	689,432	95,783	31,688	(7,257)	746,270
Historical treasures and works of art	130	--	--	--	130
Total accumulated depreciation	9,876,360	1,028,072	391,815	(7,681)	10,504,936
Total capital assets being depreciated, net	12,857,054	332,214	6,240	265,966	13,448,994
<b>Governmental activities capital assets, net</b>	<u>\$ 15,212,522</u>	<u>\$ 764,248</u>	<u>\$ 6,777</u>	<u>\$ (26,797)</u>	<u>\$ 15,943,196</u>
<b>Depreciation expense for governmental activities was charged to functions as follows:</b>					
Health and social services					\$ 40,290
Education					9,313
General government					32,914
Employment and economic development					3,711
Transportation					832,010
Public protection and justice					76,219
Environmental and business regulation					19,408
<b>Total</b>					<u>\$ 1,013,865</u>



Table 7-2 (amounts expressed in thousands)

	Beginning Balance	Additions	Deletions	Transfers and Reclassifications	Ending Balance
<b>Primary Government</b>					
<b>Business-type activities</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 190	\$ --	\$ --	\$ --	\$ 190
Total capital assets not being depreciated	190	--	--	--	190
<b>Capital assets being depreciated:</b>					
Buildings and building improvements	451	778	--	--	1,229
Equipment	9,296	1,695	871	549	10,669
Total capital assets being depreciated	9,747	2,473	871	549	11,898
<b>Less accumulated depreciation for:</b>					
Buildings and building improvements	72	25	--	--	97
Equipment	6,865	1,373	866	228	7,600
Total accumulated depreciation	6,937	1,398	866	228	7,697
Total capital assets being depreciated, net	2,810	1,075	5	321	4,201
<b>Business-type activities capital assets, net</b>	<b>\$ 3,000</b>	<b>\$ 1,075</b>	<b>\$ 5</b>	<b>\$ 321</b>	<b>\$ 4,391</b>
<b>Fiduciary Funds</b>					
<b>Capital assets not being depreciated:</b>					
Land and land improvements	\$ 1,667	\$ 3	\$ --	\$ --	\$ 1,670
Total capital assets not being depreciated	1,667	3	--	--	1,670
<b>Capital assets being depreciated:</b>					
Site improvements	322	--	--	--	322
Buildings and building improvements	14,272	8	--	--	14,280
Equipment	25,826	1,027	317	--	26,536
Total capital assets being depreciated	40,420	1,035	317	--	41,138
<b>Less accumulated depreciation for:</b>					
Site improvements	241	10	--	--	251
Buildings and building improvements	4,492	408	--	--	4,900
Equipment	15,933	1,991	311	--	17,613
Total accumulated depreciation	20,666	2,409	311	--	22,764
Total capital assets being depreciated, net	19,754	(1,374)	6	--	18,374
<b>Fiduciary funds capital assets, net</b>	<b>\$ 21,421</b>	<b>\$ (1,371)</b>	<b>\$ 6</b>	<b>\$ --</b>	<b>\$ 20,044</b>
<b>Component Units</b>					
<b>Capital assets not being depreciated:</b>					
Land and land Improvements	\$ 372,483	\$ 10,665	\$ 1,408	\$ 2,302	\$ 384,042
Historical treasures and works of art	6,343	13,649	3,799	7,845	24,038
Construction in progress	798,488	241,107	4,079	(214,372)	821,144
Total capital assets not being depreciated	1,177,314	265,421	9,286	(204,225)	1,229,224
<b>Capital assets being depreciated:</b>					
Infrastructure	3,127,591	77,690	--	(290,756)	2,914,525
Site improvement	190,233	144,809	122	302,530	637,450
Buildings and building improvements	3,433,527	102,597	14,146	115,141	3,637,119
Equipment	1,528,698	181,078	80,216	84,617	1,714,177
Historical treasures and works of art	303,465	21,165	13,101	(1)	311,528
Total capital assets being depreciated	8,583,514	527,339	107,585	211,531	9,214,799
<b>Less accumulated depreciation for:</b>					
Infrastructure	1,793,620	126,724	--	(109,510)	1,810,834
Site improvements	104,107	12,123	115	108,149	224,264
Buildings and building improvements	1,406,865	76,817	2,358	1,480	1,482,804
Equipment	1,028,271	139,789	53,303	(164)	1,114,593
Historical treasures and works of art	213,360	15,389	3,974	--	224,775
Total accumulated depreciation	4,546,223	370,842	59,750	(45)	4,857,270
Total capital assets being depreciated, net	4,037,291	156,497	47,835	211,576	4,357,529
<b>Component units capital assets, net</b>	<b>\$ 5,214,605</b>	<b>\$ 421,918</b>	<b>\$ 57,121</b>	<b>\$ 7,351</b>	<b>\$ 5,586,753</b>

## 8

**CHANGES IN LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended June 30, 2002 are summarized as follows:

Table 8-1 (amounts expressed in thousands)

	Balance July 1, 2001 As Restated	Additions	Deletions	Balance June 30, 2002	Amounts Due Within One Year
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds (note 9)	\$ 7,350,525	\$ 2,006,836	\$ (951,924)	\$ 8,405,437	\$ 612,600
Special obligation bonds (note 10)	1,932,440	414,003	(343,090)	2,003,353	100,600
Deferred amount on refundings	--	(46,533)	18,468	(28,065)	--
Unamortized premiums/(discounts)	--	117,461	(5,679)	111,782	--
Total bonds payable	9,282,965	2,491,767	(1,282,225)	10,492,507	713,200
Other long-term obligations:					
Capital lease obligations (note 13A)	16,525	12,103	(6,853)	21,775	3,801
Installment purchases (note 13D)	32,566	15,776	(19,176)	29,166	13,648
Certificates of participation (note 13B)	146,010	--	(7,920)	138,090	7,370
Department of Nuclear Safety (note 13C)	17,500	--	--	17,500	--
Cape Girardeau bridge (note 13E)	18,221	7,080	(7,047)	18,254	7,671
Workers Compensation (note 19)	134,849	63,341	(65,473)	132,717	67,792
Auto liability (note 19)	5,103	4,363	(1,740)	7,726	3,118
Compensated absences (note 1M)	532,796	307,845	(300,500)	540,141	169,441
Net pension obligation (note 15)	13,720,714	912,312	--	14,633,026	--
Other obligations (note 13H)	17,616	515	(13)	18,118	9,868
Total other long-term obligations	14,641,900	1,323,335	(408,722)	15,556,513	282,709
<b>Total Governmental Activities</b>	<b>\$ 23,924,865</b>	<b>\$ 3,815,102</b>	<b>\$ (1,690,947)</b>	<b>\$ 26,049,020</b>	<b>\$ 995,909</b>
<b>Business-type Activities</b>					
<b>Water Revolving:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ --	\$ 150,000	\$ --	\$ 150,000	\$ 3,085
Unamortized premiums/(discounts)	--	9,816	--	9,816	--
Total bonds and notes payable	--	159,816	--	159,816	3,085
Other Long-Term Obligations:					
Compensated absences (note 1M)	960	369	(334)	995	11
Total Water Revolving	\$ 960	\$ 160,185	\$ (334)	\$ 160,811	\$ 3,096
<b>Designated Account Purchase Program:</b>					
Bonds and notes payable:					
Revenue bonds (note 11)	\$ 1,880,439	\$ 650,000	\$ (29,609)	\$ 2,500,830	\$ 487,675
Notes payable (note 12)	100,294	--	--	100,294	100,294
Deferred amount on refundings	(456)	--	214	(242)	--
Unamortized premiums/(discounts)	(7,876)	(3,026)	525	(10,377)	--
Total Designated Account Purchase Program	\$ 1,972,401	\$ 646,974	\$ (28,870)	\$ 2,590,505	\$ 587,969
<b>Other business-type activity programs</b>					
Bonds and notes payable:					
Revenue bonds payable (note 11)	\$ 10,795	\$ --	\$ (10,795)	\$ --	\$ --
Notes payable (note 12)	200	--	(200)	--	--
Total bonds and notes payable	\$ 10,995	\$ --	\$ (10,995)	\$ --	\$ --

Table 8-2 (amounts expressed in thousands)

	Balance July 1, 2001 As Restated	Additions	Deletions	Balance June 30, 2002	Amounts Due Within One Year
<b>Business-type Activities, continued</b>					
Other long-term obligations:					
Lottery prize awards (note 13F)	\$ 49,441	\$ 2,014	\$ (17,275)	\$ 34,180	\$ 16,324
Capital lease obligations (note 13A)	15	78	(18)	75	37
Installment purchases (note 13D)	66	--	(28)	38	29
Tuition and related accretion payable (note 13G)	173,409	92,787	(1,816)	264,380	5,625
Compensated absences (note 1M)	4,526	1,915	(1,746)	4,695	1,285
Other obligations (note 13H)	2,859	7,575	(684)	9,750	9,750
Total other long-term obligations	230,316	104,369	(21,567)	313,118	33,050
Total Other business-type activity programs	241,311	104,369	(32,562)	313,118	33,050
<b>Total Business-type Activities</b>	<b>\$ 2,214,672</b>	<b>\$ 911,528</b>	<b>\$ (61,766)</b>	<b>\$ 3,064,434</b>	<b>\$ 624,115</b>
<b>Fiduciary Funds</b>					
Revenue bonds (note 11)	\$ 21,555	\$ 1,294	\$ (5,825)	\$ 17,024	\$ --
Capital lease obligations (note 13A)	81	21	(43)	59	43
Compensated absences (note 1M)	3,284	334	(172)	3,446	303
<b>Total Fiduciary Funds</b>	<b>\$ 24,920</b>	<b>\$ 1,649</b>	<b>\$ (6,040)</b>	<b>\$ 20,529</b>	<b>\$ 346</b>
<b>Component Units</b>					
Bonds and notes payable					
Revenue bonds (note 11)	\$ 3,951,747	\$ 598,769	\$ (628,450)	\$ 3,922,066	\$ 127,835
Notes payable (note 12)	40,844	21,865	(22,185)	40,524	24,583
Deferred amount on refundings	(23,303)	(12,468)	2,022	(33,749)	--
Unamortized premiums/(discounts)	(16,504)	4,193	220	(12,091)	--
Total bonds and notes payable	\$ 3,952,784	\$ 612,359	\$ (648,393)	\$ 3,916,750	\$ 152,418
Other long-term obligations					
Capital lease obligations (note 13A)	28,606	4,883	(4,371)	29,118	3,937
Installment purchases (note 13D)	3,923	280	(606)	3,597	644
Certificates of participation (note 13B)	249,595	148,155	(10,470)	387,280	11,685
Unamortized premiums/(discounts)	6,550	1,895	--	8,445	--
Accrued self-insurance (note 19)	71,501	26,390	(16,589)	81,302	17,750
Compensated absences (note 1M)	363,967	24,808	(19,236)	369,539	37,746
Other obligations (note 13H)	212,467	60,769	(44,953)	228,283	166,278
Total other long-term obligations	\$ 936,609	\$ 267,180	\$ (96,225)	\$ 1,107,564	\$ 238,040
<b>Total Component Units</b>	<b>\$ 4,889,393</b>	<b>\$ 879,539</b>	<b>\$ (744,618)</b>	<b>\$ 5,024,314</b>	<b>\$ 390,458</b>

The amounts liquidated in subsequent years for certain liabilities for governmental activities of the primary government will be as follows:

**Compensated absences, certificates of participation and capital lease obligations (including installment purchases)** – by the applicable governmental and internal service funds that account for the salaries and wages of the related employees or incurred the obligation.

**Workers compensation** – by the General Revenue Fund, the Road Fund or the Mental Health Fund (non-major governmental fund) based on the function of the related employees.

**Net pension obligation** – by the applicable charges to funds that account for the salaries and wages of the related employees who are members of the General Assembly Retirement System, the Judges' Retirement System or the State Employees' Retirement System. In addition, appropriations in subsequent years from the General Revenue Fund will liquidate amounts for employees who are members of the Teacher's Retirement System or the State Universities Retirement System.

**Other** – by the applicable governmental funds that incurred the obligation as discussed in Note 13.

## 9

**GENERAL OBLIGATION BONDS**

General obligation bonds have been authorized and issued primarily to provide funds for acquisition and construction of capital facilities for higher education, public and mental health, correction and conservation purposes and for maintenance and construction of highway and waterway facilities. Bonds also have been issued to provide assistance to municipalities for construction of sewage treatment facilities, port districts, aquarium facilities, local schools, mass transportation and aviation purposes, and to fund research and development of coal as an energy source. In addition, bonds have been authorized to refund any general obligation bonds outstanding.

The State Constitution provides that the State may issue general obligation bonds for specific purposes in such amounts as provided either by the General Assembly with a three-fifths vote of each house or by a majority of voters in a general election. The enabling acts pursuant to which the bonds are issued provide that all bonds issued thereunder shall be direct obligations of the State of Illinois and pledge the full faith and credit of the State. General obligation bonds are redeemed over a period not to exceed 30 years from available resources in the debt service funds. However, the State of Illinois has generally issued 25 year serial bonds with equal amounts of principal and interest maturing each year, except for capital appreciation and refunding bonds which mature in varying amounts. With the

exception of anti-pollution bonds, Illinois offerings generally have a call option of the State. Calls can begin 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and at a redemption price not to exceed 102% of par value.

On June 28, 2002, the General Assembly amended the General Obligation Bond Act (30 ILCS 330 et seq.) to increase the authorized bond limits by purpose to (in thousands): Capital Development—\$7,320,236; Transportation—\$5,313,399; Anti-Pollution—\$461,315; School Construction—\$3,150,000; Coal Development—\$663,200; Tobacco Securitization—\$750,000; and Refunding—\$2,839,025.

Included in this amended act was the authorization to issue up to \$750 million of “tobacco securitization general obligation bonds” for general operating purposes in fiscal year 2003 only, with 50% of the proceeds to be deposited into the General Revenue Fund and 50% into the Budget Stabilization Fund. Annual transfers would be required from the State’s Tobacco Settlement Recovery Fund as a supplemental source of repayment. As of June 30, 2002, none of these bonds have been issued.

General obligation bonds outstanding and bonds authorized but unissued at June 30, 2002 are as follows:

Table 9-1 (amounts expressed in thousands)

<b>Governmental Activities</b>			
<b>Purpose</b>	<b>Outstanding</b>		<b>Authorized but Unissued</b>
	<b>Interest Rates</b>	<b>Amounts</b>	
Capital Development	3.00 % to 6.25%	\$ 3,432,835	\$ 2,574,422
Transportation	3.00 % to 6.25%	2,007,809	2,062,426
Anti-Pollution	3.00 % to 12.0%	252,416	80,089
School Construction	3.00 % to 6.25%	1,332,177	1,693,711
Coal Development	4.00 % to 6.25%	52,403	576,194
Tobacco Securitization	--	--	750,000
Refunding	4.00 % to 6.25%	1,327,797	1,556,698
		8,405,437	<u>\$ 9,293,540</u>
Add (Less): Unamortized Bond (Premium)/Discount		(84,893)	
(Less): Deferred amounts on refundings		(20,136)	
		<u>\$ 8,300,408</u>	

Changes in general obligation bonds during the year ended June 30, 2002, are summarized in

Note 8. Future general obligation debt service requirements at June 30, 2002 are as follows:

Table 9-2 (amounts expressed in thousands)

Year Ending June 30	Governmental Activities		
	Principal	Interest	Total
2003	\$ 612,600	\$ 340,250	\$ 952,850
2004	618,525	320,303	938,828
2005	608,445	300,433	908,878
2006	586,870	281,307	868,177
2007	571,335	262,857	834,192
2008-2012	2,530,375	1,063,851	3,594,226
2013-2017	1,789,270	670,513	2,459,783
2018-2022	1,262,400	298,040	1,560,440
2023-2027	518,040	64,650	582,690
	<u>9,097,860</u>	<u>\$ 3,602,204</u>	<u>\$ 12,700,064</u>
Less: Unaccrued appreciation	(692,423)		
	<u>\$ 8,405,437</u>		

## 10 SPECIAL OBLIGATION BONDS

Special obligation bonds have been authorized and issued to provide funds for the Build Illinois Program and the State's Metropolitan Civic Center Support Program, and to refund any bonds previously issued under these programs.

The Build Illinois Program was implemented to expand the State's efforts in economic development by providing financing in certain areas. These areas include construction, reconstruction, modernization and extension of the State's infrastructure; development and improvement of educational, scientific, technical and vocational programs and facilities; expansion of health and human services in the State; protection, preservation, restoration and conservation of the State's environmental and natural resources; and provision of incentives for the location and expansion of businesses in Illinois resulting in increased employment.

The State's Metropolitan Civic Center Support Program was implemented to provide funding for single or multi-purpose projects. The primary

function of which is to provide public entertainment, exhibitions or conventions, or to provide parking facilities related thereto. Also, a portion (not to exceed \$10 million) is authorized for the purpose of making construction and improvement grants by the Secretary of State, as State Librarian, to public libraries and library systems.

Special obligation bonds are payable primarily from dedicated portions of the State's sales tax and the horse racing privilege tax and are redeemed over a period of not more than 30 years. Additionally, these bonds have call provisions providing for early redemption at the option of the State, beginning 10 years following the date of issuance, in whole or in part, in such order as the State shall determine and within any maturity by lot at varying premiums which decrease periodically.

Special obligation bonds outstanding and bonds authorized but unissued for governmental activities at June 30, 2002, are as follows:

Table 10-1 (dollar amounts in thousands)

<b>Governmental Activities</b>			
<b>Purpose</b>	<b>Outstanding</b>		<b>Authorized but Unissued</b>
	<b>Interest Rates</b>	<b>Amounts</b>	
Build Illinois			
Public infrastructure	4.00 % to 7.25%	\$ 627,606	\$ 722,695
Business development	4.00 % to 7.25%	54,416	84,699
Education	4.00 % to 7.25%	200,758	539,427
Environment	4.00 % to 7.25%	22,797	72,165
Refunding	3.00 % to 7.00%	943,050	Unlimited
		<u>\$ 1,848,627</u>	<u>\$ 1,418,986</u>
Civic Center:			
Civic centers	6.00 % to 7.40%	\$ 55,662	\$ 140,889
Libraries	6.00 % to 6.25%	6,859	3,141
Refunding	4.30 % to 6.50%	92,205	Unlimited
		<u>154,726</u>	<u>144,030</u>
		<u>2,003,353</u>	<u>\$ 1,563,016</u>
Add (Less): Unamortized Bond (Premium)/Discount		(26,889)	
(Less): Deferred amount of refundings		(7,929)	
		<u>\$ 1,968,535</u>	

Changes in special obligation bonds during the year ended June 30, 2002, are summarized in

Note 8. Future special obligation debt service requirements at June 30, 2002, are as follows:

Table 10-2 (amounts expressed in thousands)

<b>Year Ending June 30</b>	<b>Governmental Activities</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2003	\$ 100,600	\$ 106,687	\$ 207,287
2004	104,090	100,561	204,651
2005	107,430	96,618	204,048
2006	112,005	91,806	203,811
2007	117,215	85,774	202,989
2008-2012	626,965	334,827	961,792
2013-2017	579,700	171,544	751,244
2018-2022	251,830	48,291	300,121
2023-2027	70,000	12,600	82,600
	<u>2,069,835</u>	<u>\$ 1,048,708</u>	<u>\$ 3,118,543</u>
Less: Unaccreted appreciation	(66,482)		
	<u>\$ 2,003,353</u>		

# 11 REVENUE BONDS

The State Constitution empowers certain State agencies and authorities to issue bonds that are not supported by the full faith and credit of the State. The bond indentures include a pledge from these agencies and authorities that income derived from acquired or constructed assets be used to retire the debt and service related interest.

Bonds outstanding at June 30, 2002 (except for the Illinois State Toll Highway Authority which is as of December 31, 2001), net of unamortized discounts, unamortized deferred amount on bond refundings and unamortized bond premiums are as follows:

Table 11-1 (amounts expressed in thousands)

Agency	Amount Outstanding	Outstanding Interest Rates	Annual Maturity To
<b>Primary Government</b>			
Business-type activities:			
Water Revolving Fund	\$ 159,816	3.500% to 5.500%	2020
Designated Account Purchase Program	<u>2,490,211</u>	3.750% to 18.000%	2041
Total business-type activities	<u>\$ 2,650,027</u>		
Fiduciary Funds:			
State Universities Retirement System	<u>\$ 17,024</u>	7.350% to 7.450%	2005
<b>Component Units</b>			
Illinois Housing Development Authority	\$ 1,888,279	2.875% to 15.000%	2043
Illinois State Toll Highway Authority	801,062	3.500% to 6.300%	2017
Illinois Rural Bond Bank	89,900	1.600% to 7.300%	2031
Universities and Colleges:			
Chicago State University	24,983	3.700% to 5.500%	2023
Eastern Illinois University	52,209	4.100% to 5.625%	2026
Northeastern Illinois University	5,325	4.700% to 6.200%	2017
Western Illinois University	57,686	3.500% to 6.850%	2024
Illinois State University	53,086	4.700% to 7.350%	2016
Northern Illinois University	127,948	4.000% to 6.550%	2029
Southern Illinois University	147,411	4.000% to 6.200%	2029
University of Illinois	<u>628,337</u>	3.000% to 9.700%	2032
Total component units	<u>\$ 3,876,226</u>		



Changes in revenue bonds during the year ended June 30, 2002 are summarized in Note 8. Revenue bond debt service requirements,

principal and interest as of June 30, 2002, are as follows:

Table 11-2 (amounts expressed in thousands)

Year Ending June 30	Primary Government				Component Units	
	Business-type Activities		Fiduciary Funds		Principal	Interest
	Principal	Interest	Principal	Interest		
2003	\$ 490,760	\$ 53,696	\$ --	\$ --	\$ 127,835	\$ 204,323
2004	90,215	53,319	10,000	--	141,758	200,216
2005	91,880	50,403	--	--	151,093	193,096
2006	121,855	46,827	10,000	--	160,461	185,719
2007	41,235	43,053	--	--	167,889	177,970
2008-2012	120,240	196,684	--	--	930,714	764,575
2013-2017	123,365	169,307	--	--	1,065,636	520,198
2018-2022	14,980	155,351	--	--	702,358	297,934
2023-2027	125,000	149,655	--	--	500,942	154,409
2028-2032	270,750	125,192	--	--	267,095	37,441
2033-2037	960,550	68,525	--	--	14,705	2,129
2038-2042	200,000	15,018	--	--	1,590	407
2043-2047	--	--	--	--	570	32
	2,650,830	<u>\$1,127,030</u>	20,000	<u>\$ --</u>	4,232,646	<u>\$2,738,449</u>
Less: Unaccrued appreciation	--	--	(2,976)	--	(310,580)	--
	2,650,830	--	17,024	--	3,922,066	--
Deferred amount on refundings	(242)	--	--	--	(33,749)	--
Unamortized premiums/(discounts)	(561)	--	--	--	(12,091)	--
<b>Total</b>	<b><u>\$2,650,027</u></b>	<b><u>\$1,127,030</u></b>	<b><u>\$ 17,024</u></b>	<b><u>\$ --</u></b>	<b><u>\$3,876,226</u></b>	<b><u>\$2,738,449</u></b>

Included within the \$89.9 million of outstanding Illinois Rural Bond Bank revenue bonds are \$19.2 million of bonds which do not require the Governor to include in the State budget the amount necessary for payment of principal and interest. Payment of principal and interest on these bonds is guaranteed by a municipal bond insurance policy.

#### *Demand and Variable Rate Bonds*

#### ***Illinois Student Assistance Commission (Commission)***

Included in the \$2,500.8 million of outstanding revenue bonds issued by the Illinois Student Assistance Commission are \$436.1 million of variable rate demand bonds, (Series B, Series C, Series D, Series 1996A, Series 1996B, Series

1997A, Series 1997B, Series 1998A, Series 1998B, Series 1999A and Series 1999B), the proceeds of which were used to purchase and originate student loans. The bonds mature at various dates, bearing interest rates as determined by the remarketing agent that would enable the bonds to be sold at a price equal to their principal amount, but not to exceed 18% per annum for the Series B and Series C bonds, 15% per annum for the Series D, Series 1996B, Series 1997B, and Series 1998B bonds and 12% per annum for the Series 1996A, Series 1997A, Series 1998A, Series 1999A and Series 1999B bonds.

The bonds, if in a weekly or monthly mode, are subject to purchase on demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the remarketing agent. The remarketing agent is



authorized to sell the repurchased bonds at a price equal to their principal amount by adjusting the interest rate.

Irrevocable letters of credit have been issued by various credit facilities in order to permit the Trustee to draw amounts to pay the tender price of the variable rate demand bonds tendered for payment under early redemption and demand provisions of the bond issues. Under these letters of credit, the various credit facilities, acting as tender agent, paying agent, and bond registrar for the respective bond issues, are entitled to draw the amount needed (a) to pay interest on the bonds on each interest payment date; (b) to pay principal and interest on the bonds called for redemption; (c) to pay principal and interest on the bonds resulting from an acceleration of maturity due to an event of default; and (d) to pay the tender price of bonds tendered or required to be tendered for purchase which is not to be paid from remarketing proceeds or from certain funds held under the indenture. The letters of credit have variable interest rates ranging from the Federal funds rate plus .5% to 20% per annum and expire at various dates through August 28, 2004. If the remarketing agent is unable to resell any bonds that are "put" within 180 days of the "put" date, the Commission is required to repay the amounts drawn on the letters of credit for the redemption of these bonds. Repayment of amounts drawn on the letters of credit will be made by the Commission from the trustee accounts.

The Commission is required to pay to the credit facilities an origination fee based on the line of credit amounts and a quarterly commitment fee thereafter, based on the available amount of the letters of credit. Quarterly commitment fees currently in effect range from .275% to .55% of the available amount of the letters of credit.

Also included in the \$2,500.8 million of outstanding revenue bonds are \$1,819.9 million of variable rate bonds. These bonds carry a maximum interest rate ranging from 16% to 17%. The interest rate in effect at June 30, 2002 was used in calculating future interest payments.

### ***Illinois Housing Development Authority (IHDA)***

Included within the IHDA's outstanding revenue bonds are \$8.1 million of Multi-Family Variable Rate Demand Bonds Series 1996A and \$57.4 million of Multi-Family Housing Revenue Bonds Series 1997 and Series 2000A, which are variable rate demand bonds. Interest rates on these bonds are determined weekly at a rate established by the remarketing agents on each rate determination date. The IHDA has agreements with liquidity providers to purchase any bonds tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. Payment of the principal of and interest on the bonds when due are insured by a financial guarantee insurance policy. The IHDA has a general obligation to reimburse the insurer for any such payments made.

### ***Illinois State Toll Highway Authority (THA)***

Included within the THA's outstanding revenue bonds are variable rate demand bonds in the amount of \$178.2 million for the Series 1993B bonds and \$123.1 million for the Series 1998B bonds. These bonds mature in 2010 and 2017, respectively, and bear interest rates as determined by the remarketing agents on each rate determination date not to exceed 22% and 25%, respectively. These bonds are subject to redemption if tendered by the holder at a price equal to the principal plus accrued interest upon notice and delivery to the remarketing agent. The THA has agreements with liquidity providers to purchase any bonds so tendered for purchase in accordance with the indentures with respect to which the Trustee does not, on the date any such tendered bonds are required to be purchased, have sufficient funds to make such purchase. The THA has obtained a financial guarantee insurance policy to guarantee the payment of principal and interest on the scheduled maturity dates. The THA has an obligation to reimburse the insurer for any such payments made.

To mitigate the effect of interest rate changes, the THA has entered into Interest Rate Swap Agreements for both the Series 1993B bonds and the Series 1998B bonds. These agreements effectively change the THA's interest rates to a synthetic fixed rate of 4.92% and 4.325%, respectively. The THA will be exposed to variable rates if a counter party to the swap agreement defaults or if the swap is terminated. However, the THA does not anticipate nonperformance. The amounts shown in the schedule of revenue bond debt service requirements are based on the fixed rate effects of this interest rate swap.

***Conduit Debt (not included in financial statements)***

The State of Illinois, by action of the General Assembly, created various authorities for the

express purpose of providing private entities with an available low cost source of capital financing for construction of facilities deemed to be in the public interest. Fees are assessed to recover related processing and application costs incurred. Bonds issued by the authorities represent limited obligations payable solely from payments made by the borrowing entities. The majority of the bonds are secured by the property financed. Upon repayment of a bond, ownership of acquired property transfers to the entity served by the bond issuance. The State has no obligation for this debt. Accordingly, these bonds are not reflected in the accompanying financial statements. At June 30, 2002, recorded amounts of revenue bonds, net of defeased bonds and notes outstanding as reported by authority officials are as follows (confirmations were not received from authorities noted with a "\*" in the following table):

Authority	Amount Outstanding	Annual Maturity To
Illinois Development Finance Authority		
Leases, notes and certificates of participation	\$ 12,433,007	2021
501(c) not for profit	3,005,306	2041
Environmental facilities	1,570,575	2032
Infrastructure	1,174,933	2029
Industrial development	1,037,159	2032
Housing	476,860	2039
Financially distressed city	16,500	2013
	<u>\$ 19,714,340</u>	
Illinois Health Facilities Authority	8,116,320	2036
Illinois Educational Facilities Authority	2,666,892	2041
Illinois Housing Development Authority	248,775	2041
Southwestern Illinois Development Authority	181,641	2038
Illinois Farm Development Authority	89,476	2041
Will-Kankakee Regional Development Authority	31,405 *	2030
Upper River Valley Development Authority	16,600 *	2023
Quad Cities Regional Economic Development Authority	11,655 *	2018
Total	<u>\$ 31,077,104</u>	

# 12 NOTES PAYABLE

The State has obtained notes payable, normally secured by specific revenue sources, to provide financing.

Outstanding notes payable at June 30, 2002 were as follows:

Table 12-1 (amounts expressed in thousands)

<b>Fund Type/Agency</b>	<b>Amount Outstanding</b>	<b>Interest Rates</b>	<b>Annual Maturity To</b>
<b>Primary Government</b>			
Major Funds:			
Illinois Designated Account Purchase Program	\$ 100,294	2.00% to 6.00%	Demand
<b>Component Units</b>			
Major Component Units:			
Illinois State University	\$ 1,000	4.25%	2004
Northern Illinois University	442	7.25% to 7.50%	2009
Southern Illinois University	3,248	3.00% to 5.05%	2009
University of Illinois	10,227	2.49%	Demand
	14,917		
Non-Major Component Units	25,607	0.00% to 8.98%	2019
<b>Total Component Units</b>	<b>\$ 40,524</b>		

Changes in notes payable during the year ended June 30, 2002 are summarized in Note 8. Notes

payable debt service principal requirements, as of June 30, 2002, are as follows:

Table 12-2 (amounts expressed in thousands)

<b>Year Ending June 30</b>	<b>Primary Government</b>	
	<b>Business-type Activities</b>	<b>Component Units</b>
	<b>Principal</b>	<b>Principal</b>
2003	\$ 100,294	\$ 24,583
2004	--	2,022
2005	--	2,755
2006	--	1,820
2007	--	1,697
2008-2012	--	5,522
2013-2017	--	1,360
2018-2022	--	765
	<b>\$ 100,294</b>	<b>\$ 40,524</b>

# 13 OTHER LONG-TERM OBLIGATIONS

Other long-term obligations reported in the government-wide statements and disclosed below are as follows:

Table 13-1 (amounts expressed in millions)

Description	Reference	Governmental Activities	Business-type Activities	Fiduciary Funds	Component Units
Capital lease obligations	(A)	\$ 21.8	\$ 0.1	\$ 0.1	\$ 29.1
Certificates of participation	(B)	138.1	--	--	395.7
Department of Nuclear Safety	(C)	17.5	--	--	--
Installment Purchase Obligation	(D)	29.1	--	--	3.6
Cape Girardeau Bridge-State of Illinois/ State of Missouri Joint Agreement	(E)	18.3	--	--	--
Obligations to Lottery Prize Winners	(F)	--	34.2	--	--
Illinois Student Assistance Commission/ Tuition Obligations	(G)	--	264.4	--	--
Other Obligations	(H)	18.1	9.8	--	228.3
<b>Total Other Long-Term Obligations</b>		<b>\$ 242.9</b>	<b>\$ 308.5</b>	<b>\$ 0.1</b>	<b>\$ 656.7</b>

## (A) Lease Commitments –

The State has entered into various capital and operating leases for land, office facilities, office and computer equipment and other assets. Although lease terms vary, certain leases are renewable subject to appropriation by the General Assembly. If renewal is reasonably assured, leases requiring appropriation by the General

Assembly are considered noncancelable leases for financial reporting purposes. Any operating leases with scheduled rent increases are considered immaterial to the future minimum lease payments and current rental expenditures.

At June 30, 2002, assets capitalized under capitalized leases are as follows:

Table 13-2 (amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Fiduciary Funds	
Land and land improvements	\$ --	\$ --	\$ --	\$ 4,808
Site and site improvements	--	--	--	2,431
Buildings and building improvements	18,268	--	--	17,475
Equipment	4,681	141	164	15,218
	22,949	141	164	39,932
Less: Accumulated depreciation	5,679	51	38	7,475
	<b>\$ 17,270</b>	<b>\$ 90</b>	<b>\$ 126</b>	<b>\$ 32,457</b>

Future minimum commitments for non-cancelable leases as of June 30, 2002 are as follows:

Table 13-3 (amounts expressed in thousands)					
<b>Primary Government</b>					
<b>Year Ending June 30</b>	<b>Operating Leases</b>	<b>Capitalized Leases</b>			<b>Total</b>
		<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Fiduciary Funds</b>	
2003	\$ 102,462	\$ 5,517	\$ 37	\$ 43	\$ 108,059
2004	70,619	4,520	37	16	75,192
2005	54,292	3,929	3	--	58,224
2006	45,215	1,859	--	--	47,074
2007	30,744	1,823	--	--	32,567
2008-2012	75,210	9,105	--	--	84,315
2013-2017	2,437	5,883	--	--	8,320
2018-2022	--	981	--	--	981
Total minimum lease payments	<b>\$ 380,979</b>	33,617	77	59	<b>\$ 414,732</b>
Less amounts representing interest		11,842	2	--	
Present value of net minimum lease payments		<b>\$ 21,775</b>	<b>\$ 75</b>	<b>\$ 59</b>	

Table 13-4 (amounts expressed in thousands)			
<b>Component Units</b>			
<b>Year Ending June 30</b>	<b>Operating Leases</b>	<b>Capitalized Leases</b>	<b>Total</b>
2003	\$ 11,062	\$ 5,442	\$ 16,504
2004	8,489	3,748	12,237
2005	5,598	3,107	8,705
2006	4,152	2,315	6,467
2007	2,190	1,647	3,837
2008-2012	6,213	8,557	14,770
2013-2017	--	7,245	7,245
2018-2022	--	11,446	11,446
Total minimum lease payments	<b>\$ 37,704</b>	43,507	<b>\$ 81,211</b>
Less amounts representing interest		14,389	
Present value of net minimum lease payments		<b>\$ 29,118</b>	

Rental payments (amounts expressed in thousands) for operating leases charged to operations during the year ended June 30, 2002

aggregated \$334,363 for the primary government and \$24,718 for component units.

**(B) Certificates of Participation -**

**State-issued Certificates of Participation.** The State is authorized to issue certificates of participation ("Certificates") representing the right to receive a proportionate share in lease-purchase or installment purchase payments to be made for the benefit of State agencies for the acquisition or improvement of real or personal property, refinancing of such property, payment of expenses of such property or payment of expenses related to the issuance. The outstanding balance of the State-issued Certificates included in the governmental activities financial statements as of June 30, 2002 was \$33.4 million.

Certain universities have also issued Certificates representing the right to receive a proportionate share of lease-purchase or installment payments. All of these Certificates issued by component units are considered state-issued. The outstanding balance of these Certificates as of June 30, 2002 was \$395.7 million, which

includes unamortized premiums of \$8.4 million for the university funds, and is included in the component unit financial statements.

**Non-State-issued Certificates of Participation.**

The State also finances the purchase of certain state-owned real and personal property through third party (non-State-issued) certificates. These non-State-issued Certificates are sold by private concerns and are repaid by State agency appropriations pursuant to installment purchase agreements. The outstanding balance of non-State-issued Certificates included in the governmental activities financial statements as of June 30, 2002 was \$104.7 million.

Future commitments by the State to make installment payments to pay for the assets acquired and related financing costs for State-issued and non-State-issued Certificates at June 30, 2002 are as follows:

Table 13-5 (amounts expressed in thousands)

Year Ending June 30	Certificates of Participation						Component Units	Total Certificates of Participation		
	Governmental Activities									
	State-Issued		Non-State-Issued		Total					
	Principal	Interest	Principal	Interest	Principal	Interest				
2003	\$ 1,360	\$ 1,896	\$ 6,010	\$ 5,704	\$ 7,370	\$ 7,600	\$ 11,685	\$ 19,657	\$ 19,055	\$ 27,257
2004	1,425	1,825	6,330	5,394	7,755	7,219	12,725	19,098	20,480	26,317
2005	1,500	1,750	6,660	5,061	8,160	6,811	26,350	18,205	34,510	25,016
2006	1,580	1,669	7,025	4,702	8,605	6,371	21,070	16,905	29,675	23,276
2007	1,660	1,581	8,655	4,279	10,315	5,860	22,185	15,819	32,500	21,679
2008-2012	9,770	6,352	29,785	16,446	39,555	22,798	130,220	60,176	169,775	82,974
2013-2017	13,000	3,013	30,630	7,694	43,630	10,707	76,635	32,526	120,265	43,233
2018-2022	3,140	95	9,560	599	12,700	694	86,410	11,580	99,110	12,274
	<u>\$33,435</u>	<u>\$ 18,181</u>	<u>\$ 104,655</u>	<u>\$49,879</u>	<u>\$138,090</u>	<u>\$68,060</u>	<u>\$387,280</u>	<u>\$193,966</u>	<u>\$525,370</u>	<u>\$262,026</u>

**(C) Department of Nuclear Safety -**

Tracts of land near Ottawa, Illinois were donated to the State more than 50 years ago for public purposes. Several years later, the State discovered that other parties had dumped radioactive waste on the land, before it was donated to the State. The State advised the United States Environmental Protection Agency (USEPA) of the situation and the land was transferred to the Department of Nuclear Safety for clean-up.

Although the State was not culpable for the creation of the hazard, federal law makes it, as the owner, a potentially responsible party along with the corporations that did the dumping. These corporations are defunct and in

recognition of the State's lack of culpability, the USEPA has recommended that the State pay 50% of the estimated \$35 million clean-up plan. The State has recorded a liability for the clean-up in the governmental activities financial statements in the amount of \$17.5 million at June 30, 2002.

**(D) Installment Purchase Obligations -**

The State has acquired certain land, office facilities, office and computer equipment and other assets through installment purchase arrangements. Future commitments under installment purchase contracts as of June 30, 2002 are as follows:

Table 13-6 (amounts expressed in thousands)

Year Ending June 30	Primary Government					Component Units		
	Governmental Activities		Business-type Activities		Total	Universities		
	Principal	Interest	Principal	Interest		Principal	Interest	Total
2003	\$ 13,648	\$ 1,510	\$ 29	\$ 4	\$ 15,191	\$ 644	\$ 179	\$ 823
2004	8,845	777	5	1	9,628	545	142	687
2005	5,638	344	4	1	5,987	519	114	633
2006	878	46	--	--	924	441	92	533
2007	154	5	--	--	159	377	67	444
2008-2012	3	--	--	--	3	1,071	76	1,147
<b>Total future commitments</b>	<b>\$ 29,166</b>	<b>\$ 2,682</b>	<b>\$ 38</b>	<b>\$ 6</b>	<b>\$ 31,892</b>	<b>\$ 3,597</b>	<b>\$ 670</b>	<b>\$ 4,267</b>

**(E) Cape Girardeau Bridge—State of Illinois/  
State of Missouri Joint Agreement -**

The State of Illinois entered into an agreement with the State of Missouri for the construction of the Cape Girardeau Bridge. The agreement required that the State of Illinois reimburse the State of Missouri for 40% of the costs incurred for bridge construction. In accordance with a pre-established payment plan, the State of Illinois repays one-quarter of its annual obligation each year for four years following the year costs were incurred. Each year, the State of Missouri incurs costs and each year, the State of Illinois makes payments on costs incurred in prior years (unless

such costs have been totally reimbursed) subject to the same one-quarter reimbursement arrangement. The State of Missouri assesses 5.3% interest on the unpaid balance.

As of June 30, 2002, the balance of the Illinois/Missouri Joint Agreement was \$18.3 million and is included in the governmental activities financial statements. In subsequent years, this liability will be liquidated from future resources of the State Construction Account Fund, a major governmental fund. Future Illinois/Missouri Joint Agreement debt service requirements at June 30, 2002, are as follows:

Table 13-7 (amounts expressed in thousands)

Year Ending June 30	Principal	Interest	Total
2003	\$ 7,671	\$ 967	\$ 8,638
2004	5,527	561	6,088
2005	3,286	268	3,554
2006	1,770	94	1,864
	<u>\$ 18,254</u>	<u>\$ 1,890</u>	<u>\$ 20,144</u>

**(F) Obligations to Lottery Prize Winners -**

The State has obligations to certain lottery prize winners for awards payable in annual installments ranging from nineteen years to the life of the prize winner, with the first payment being made after the claim is presented for payment. In addition, the State has fulfilled its obligations for certain other prize winners through the purchase of annuities under group contracts.

Prior to July 1985, the State purchased annuity contracts in the name of the prize winner through agreements with insurance companies which provide payments corresponding to the Lottery's obligation to the prize winner. The State would be contingently liable for such future payments if the insurance company defaulted on their payment obligation.

As the State has met its primary obligation for these future payments, the liability and corresponding value of the annuity contracts are not included in these financial statements. The present value of future installment payments owed to these prize winners approximates \$12.0 million at June 30, 2002.

For certain prize winners, annuities were purchased in the name of the State for which the State has retained the rights of ownership. Effective July 30, 1985, State law provides that the State Treasurer, with the consent of the Director of the Lottery, may contract to invest in securities, which provide payments corresponding to the Lottery's obligation to these winners. The present value of these annuities and the related liabilities owed to prize winners,

approximating \$34.2 million, have been reported in the financial statements of the State Lottery Fund, a non-major enterprise fund.

In addition to the prize obligations discussed above, the State has provided for other payments corresponding to the Lottery's obligation to prize winners through the purchase of direct obligations of the federal government, primarily in the form of United States Treasury zero coupon bonds. As established by State law, such securities shall be maintained in the Deferred Lottery Prize Winners Trust Fund, a special trust fund separate and apart from all public money or funds of the State. These investments are purchased in amounts to provide for annual annuity payments to the prize winner(s) of each qualifying individual drawing. Since these monies are invested by the State on behalf of external legally separate entities (the prize winners), with specific investments being acquired for these individual entities for which the income from and changes in the value of the investments affect only the prize winners for whom they were acquired, in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Deferred Lottery Prize Winners Trust Fund is reported as an investment trust fund. The investments of the fund are reported at fair value, which approximated \$1.21 billion at year-end and the fund balance is reported as reserved for external investment pool participants.

**(G) Illinois Student Assistance Commission -**

Tuition payable in the Illinois Prepaid Tuition Fund, a non-major enterprise fund, as of June 30, 2002, represents net principal payments received for contracts held by the fund in the amount of \$236.6 million, of which \$5.2 million is considered current. In addition, an accretion payable recorded in the same fund in the amount of \$27.8 million of which \$.4 million is considered current, is the present value of payments to be made in excess of the principal payments received from investments of the tuition contracts. The accretion expense is estimated as a percentage of net tuition costs paid



to date. The rate for fiscal year 2002 is 7% based on the actuarial reporting. The accretion expense is calculated on a monthly basis on the balance in the tuition payable account.

#### ***(H) Other Obligations -***

##### **Primary Government - Governmental Activities**

The Tax Reform Act of 1986 requires issuers of state and local government bonds to rebate to the federal government arbitrage profits earned on those bonds under certain circumstances. In accordance with that, there was an arbitrage rebate liability of \$515 thousand as of June 30, 2002. The General Obligation Bond Retirement and Interest Fund and the Build Illinois Bond Retirement and Interest Fund, non-major governmental funds, are expected to be used to repay \$445 thousand and \$70 thousand, respectively, of the liability from future resources of those funds.

A lawsuit against the City of Chicago and the Illinois State Board of Education (ISBE) has resulted in a settlement requiring the ISBE to pay \$19.25 million over seven years to Chicago Public School District #299 (District) to assist the District in providing special education services to identified eligible children within the least restrictive environment. The settlement, reached in June, 1999, requires the ISBE to pay \$2.75 million per year through January, 2006. Payments to the District ceased in March 2000, when the District failed to disburse an adequate amount of the ISBE's portion of the settlement for the intended purpose. This resulted in the District returning \$1.3 million to ISBE. Payments to the District resumed in January 2002. As of June 30, 2002, ISBE has paid \$1.6 million to the District. The current year portion of the obligation is accounted for in ISBE Federal Department of Education Fund, a non-major governmental fund. As of June 30, 2002, the current year portion of the obligation is \$6.6 million, which includes \$1.1 million of the fiscal year 2000 obligation and \$5.5 million for the full fiscal years 2001 and 2002 obligation. The long term portion of the obligation at June 30, 2002 was \$11.0 million and is accounted for in the governmental activities financial statements.

##### **Primary Government - Business-type Activities**

The Self Insurers' Security Fund, a non-major enterprise fund, has recorded a liability of \$9.8 million for unpaid claims. This amount is the estimated future benefit payments for bankrupt companies. This liability is expected to be paid with current resources of the fund.

##### **Component Units**

The Illinois Housing Development Authority (IHDA) has loans throughout the State. Loans receivable in the Mortgage Loan Programs and the Affordable Housing Programs are secured by first mortgage liens on the related developments. Each development is subject to a regulatory agreement under which the IHDA has certain powers relating to rents, profits, occupancy, management and operations. Monies are required to be deposited in reserve accounts monthly by all mortgagors for real estate tax reserves and by substantially all mortgagors for insurance and replacement reserves.

The deposits from developers, which are held in escrow, may be used when necessary to pay principal and interest payments and fund construction cost overruns, change orders, tax and insurance payments and capital improvements. In addition, on certain developments, letters of credit and assignments of syndication proceeds are held by the IHDA for similar purposes and to fund potential operating deficits of the related developments. Investment income earned on deposited funds is credited to the respective developer's escrow accounts. As of June 30, 2002, the deposits in escrow were \$142.0 million.

In addition, component units presented other miscellaneous obligations in the amount of \$86.3 million. These obligations will be liquidated by the reporting component unit.

# 14 REFUNDINGS OF LONG-TERM OBLIGATIONS

## (A) Advance Refundings

During the year ended June 30, 2002, the State issued advanced refunding bonds to lower interest rates or to restructure debt service requirements for cash management purposes. General obligation, special obligation and revenue bonds were issued to refund portions of earlier issues. The principal of the refunded bonds will be redeemed on various dates through 2010 at redemption prices ranging from 100% to

102%. Proceeds from the sales were placed in irrevocable trusts that are used to service the future debt requirements of the old debt. As a result, the refunded bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements of the State. At June 30, 2002, the outstanding balance of the defeased bonds was \$547.3 million. Advance refunding bonds issued during fiscal year 2002 were as follows:

Table 14-1 (amounts expressed in millions)

	Par Value of Refunding Issue	Refunding Issue Interest Rates	Par Value of Bonds Refunded	Interest Rates of Bonds Refunded	Debt Service Reduced by Refunding	Refunding Economic Gain/(Loss)	Accounting Gain/(Loss)
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Obligation - December 2001	\$ 318.8	4.0% to 5.375%	\$ 319.0	5.4% to 6.25%	\$ 24.6	\$ 21.0	\$ (26.7)
Special Obligation - September 2001	110.5	3.0% to 5.375%	107.5	5.1% to 6.375%	9.0	6.1	(10.3)
Total governmental activities	<u>\$ 429.3</u>		<u>\$ 426.5</u>		<u>\$ 33.6</u>	<u>\$ 27.1</u>	<u>\$ (37.0)</u>
<b>Component Units</b>							
Northern Illinois University - Series 2001	\$ 76.0	4.0% to 5.0%	\$ 59.1	5.7% to 6.0%	\$ 4.4	\$ 2.5	\$ (3.9)
University of Illinois - Series 2001A	106.0	4.0% to 5.5%	99.0	5.625% to 6.125%	7.9	8.2	(8.0)
Total component units	<u>\$ 182.0</u>		<u>\$ 158.1</u>		<u>\$ 12.3</u>	<u>\$ 10.7</u>	<u>\$ (11.9)</u>

## (B) Current Refundings

During the year ended June 30, 2002, the State issued current refunding bonds to lower interest rates, to restructure debt service requirements for cash management purposes or to extend its tax advantaged debt maturities, which assists the State in providing low cost borrower benefits to

its borrowers. These general obligation, special obligation and revenue bonds were issued to currently refund portions of earlier issues maturing on dates ranging from March 1, 2002 through June 1, 2002 at redemption prices ranging from 100% to 102%. Current refunding bonds issued during fiscal year 2002 were as follows:

Table 14-2 (amounts expressed in millions)

	Par Value of Refunding Issue	Refunding Issue Interest Rates	Par Value of Bonds Refunded	Interest Rates of Bonds Refunded	Debt Service Reduced/ (Increased) by Refunding	Refunding Economic Gain/(Loss)	Accounting Gain/(Loss)
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General Obligation - April 2002	\$ 79.7	4.0% to 5.5%	\$ 80.3	5.6% to 5.875%	\$ 6.9	\$ 5.3	\$ (3.8)
Special Obligation - May 2002 - 1st series	50.3	5.5%	50.8	5.75%	3.4	2.7	(2.4)
Special Obligation - May 2002 - 2nd series	94.8	5.5% to 5.75%	97.2	5.5%	4.6	3.3	(3.4)
Total governmental activities	<u>\$ 224.8</u>		<u>\$ 228.3</u>		<u>\$ 14.9</u>	<u>\$ 11.3</u>	<u>\$ (9.6)</u>
<b>Business-type Activities</b>							
Designated Account Purchase Program							
Series 2001-A1	<u>\$ 33.6</u>	Variable	<u>\$ 33.6</u>	4.7% to 7.35%	<u>\$ (18.1)</u>	<u>\$ (13.8)</u>	<u>\$ - -</u>
<b>Component Units</b>							
Southern Illinois University - Series 2001A	<u>\$ 27.7</u>	4.0% to 5.5%	<u>\$ 8.0</u>	6.5% to 6.75%	<u>\$ 0.7</u>	<u>\$ 0.6</u>	<u>\$ (0.2)</u>

**(C) Prior Year Refundings**

In prior years, the State defeased certain callable maturities of general obligation, special obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to

provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the State's financial statements. At June 30, 2002, the outstanding balances of prior year defeased bonds were as follows:

Table 14-3 (amounts expressed in thousands)

	<b>Primary Government</b>		<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	
General obligation bonds	\$ 168,325	\$ - -	\$ - -
Special obligation bonds	63,807	- -	- -
Revenue bonds	- -	- -	610,428
	<u>\$ 232,132</u>	<u>\$ - -</u>	<u>\$ 610,428</u>

**15****RETIREMENT SYSTEMS**

**Plan Descriptions.** The State of Illinois sponsors five public employee retirement systems (“PERS”) that are included in the State’s financial statements as pension trust funds. The General Assembly Retirement System (“GARS”), Judges’ Retirement System (“JRS”) and State Employees’ Retirement System (“SERS”), are the administrators of single-employer defined benefit pension plans. The GARS, JRS and SERS are governed by articles 2, 18 and 14, respectively, of the Illinois Pension Code (40 ILCS 5/1, et. al.).

The Teachers’ Retirement System (“TRS”) is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan with “special funding situations.” It provides coverage to teachers employed by public school districts in Illinois (excluding Chicago) even though most covered employees are not State employees. There are 890 local school districts, 140 special districts and 27 other State agencies that contribute to the TRS plan. At June 30, 2002, the TRS had outstanding receivables of \$111 million for payroll deduction agreements with members for optional services, refund repayments and upgrade balances owed to the TRS.

The State Universities Retirement System (“SURS”) is the administrator of a cost-sharing multiple-employer public employee defined benefit pension plan and a defined contribution plan. They also have “special funding situations.” The SURS provides coverage to faculty and staff of State universities, community colleges and related agencies, of which, some covered employees are not State employees. There are 12 universities, 39 community colleges and 14 other State agencies that contribute to the SURS plan.

The State of Illinois is legally mandated to make contributions to the TRS and SURS. Because the State contributes most of the TRS and SURS employer contributions, the single employer provisions of GASB Statement 27 have been

followed for reporting those systems in the statewide CAFR. The TRS and SURS are governed by articles 16 and 15, respectively, of the Illinois Pension Code.

Effective January 1, 1998, legislation established an alternative defined benefit program known as the Portable Benefit Option Plan within the SURS. This option is offered in addition to the existing traditional benefit option. All members who are eligible for the traditional benefit option are eligible for the portable option. New and existing members are provided a window period in which to make an irrevocable election. The portable option provides an enhanced refund at termination for those who leave SURS with at least five years of service. Offsetting this additional cost is the elimination of the survivor benefit package. This program is designed to be cost-neutral in relation to the traditional option. Approximately 15,300 of the approximately 79,100 members have chosen this option.

Legislation, effective January 1, 1998, also required the SURS to offer a Self-Managed Plan. This is a defined contribution plan and is offered to employees of all SURS employers who elect to participate. All but two SURS employers participate in the Self-Managed Plan. The contribution rate is 8% of their gross earnings. It is a qualified money purchase plan under Section 401(a) of the Internal Revenue Code. The assets are maintained under a trust administered by the SURS Board of Trustees in accordance with the Illinois Pension Code. 6,384 of the approximately 79,100 members have chosen this option. \$134.8 million of the \$9.9 billion total assets relate to the Self-Managed Plan. Plan member contributions were \$27.5 million and employer contributions were \$23.0 million for the year ended June 30, 2002.

Each of the five State-sponsored retirement systems provide retirement, death and disability benefits to members and beneficiaries. Each plan also issues a publicly available financial report that includes financial statements and required supplementary information for that plan. Those reports may be obtained by writing or calling the plan as follows:

- General Assembly Retirement System and Judges' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217)782-8500.
- State Employees' Retirement System, 2101 South Veterans Parkway, PO Box 19255, Springfield, Illinois, 62794-9255, (217)785-2340.
- Teachers' Retirement System, 2815 West Washington Street, PO Box 19253, Springfield, Illinois, 62794-9253, (217)753-0311.
- State Universities Retirement System, 1901 Fox Drive, Champaign, Illinois, 61820-7333, (217)378-8800.

***Funding Policy and Annual Pension Cost.***

Member contributions are based on fixed percentages set by statute ranging from 4.0% to 11.5%. The State's funding requirements have been established by statute (Public Act 88-593) effective July 1, 1995 and provide for a systematic 50-year funding plan with an ultimate goal to achieve "90% funding" of the systems' liabilities. In addition, the funding plan provides for a 15-year phase-in period to allow the State to adapt to the increased financial commitment.

Once the 15-year phase-in period is complete, the State's contribution will then remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved. As illustrated in Table 15-1, the State met its funding requirement established by *statutory law* for the fiscal year ended June 30, 2002. Actual contributions varied slightly from contributions required by statute mainly because of differences between estimated and actual federal contributions. In addition for TRS, the annual contribution required per statute is the State funding requirement certified before Public Act 92-505 was enacted. This act allowed school districts to reduce their contributions to TRS by the amount they contribute to the Teachers' Health Insurance Security Fund. The act is effective January 1, 2002 through June 30, 2003. Accordingly, although employer contributions are less than the amount listed as statutorily required, TRS met its funding requirement.

The current statutory law includes a "continuing appropriation," which means that the State must automatically provide funding to the pension systems based on actuarial cost requirements and amortization of the unfunded liability without being subject to the General Assembly's appropriation process.

This statutory funding requirement differs significantly from the annual pension cost ("APC") because the statutory plan does not conform with the GASB Statement 27 accounting parameters. The State's APC for the current year and related information for each plan are included in Table 15-1.

Table 15-1 (dollar amounts in thousands)

	GARS	JRS	SERS	TRS	SURS
Actuarially required contribution ("ARC")	\$ 6,962	\$ 47,277	\$ 306,510	\$ 1,163,262	\$ 435,305
Plus: Interest on net pension obligation ("NPO")	3,814	21,553	95,332	701,730	342,247
Adjustment to the ARC	(2,029)	(11,466)	(72,187)	(390,796)	(198,818)
Annual pension cost ("APC")	8,747	57,364	329,655	1,474,196	578,734
Employer contributions	4,722	27,532	386,117	861,889	256,124
Increase(decrease) in NPO	4,025	29,832	(56,462)	612,307	322,610
NPO at June 30, 2001	47,669	269,413	1,121,554	8,255,642	4,026,436
NPO at June 30, 2002	\$ 51,694	\$ 299,245	\$ 1,065,092	\$ 8,867,949	\$ 4,349,046
Required contribution amounts/rates:					
* Statutory required contribution - State	\$ 4,678	\$ 27,532	\$ 372,787	\$ 872,283	\$ 256,124
Members	11.5%	11%	4% - 10.5%	9%	8% - 9.5%
Actuarial valuation date	6/30/2002	6/30/2002	6/30/2002	6/30/2002	6/30/2002
Actuarial cost method	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit	Proj. Unit Credit
Amortization method	Level % of pay	Level % of pay	Level % of pay	Level % of pay	Level % of pay
Remaining amortization period	40 years. Open	40 years. Open	40 years. Open	40 years. Open	40 years. Open
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value
Actuarial assumptions:					
Investment rate of return	8%	8%	8.5%	8.5%	8.5%
Projected salary increases	6.5%	5.5%	1% - 7%	5.9% - 10.1% **	5.5%-9.5%
Postretirement benefit increases	3%	3%	3%	3%	3%
Inflation rate	4%	4%	3%	3.5%	3%

\* Public Act 88-593 provides for 50-year funding including 15-year phase-in of employer contributions as a percentage of active member payroll increasing until fiscal year 2010, and remaining at that level until fiscal year 2045 when the Systems' funded ratios will be 90%.

\*\* Composite, approximately 6.5%

**Trend Information.** The annual pension cost, the percentage of annual pension cost contributed for the year and the net pension obligation at the

end of the year are presented in the following Table 15-2:

Table 15-2 (dollar amounts in thousands)

	GARS	JRS	SERS	TRS	SURS
<b>Annual Pension Cost ("APC")</b>					
6/30/2000	\$ 7,808	\$ 48,266	\$ 322,846	\$ 1,256,101	\$ 458,342
6/30/2001	\$ 8,171	\$ 51,613	\$ 316,739	\$ 1,386,289	\$ 464,983
6/30/2002	\$ 8,747	\$ 57,364	\$ 329,655	\$ 1,474,196	\$ 578,734
<b>% of APC Contributed</b>					
6/30/2000	50.60%	44.36%	105.58%	54.82%	52.60%
6/30/2001	52.77%	47.18%	115.56%	56.15%	53.15%
6/30/2002	53.98%	48.00%	117.13%	58.47%	44.26%
<b>Net Pension Obligation</b>					
6/30/2000	\$ 43,810	\$ 242,149	\$ 1,170,844	\$ 7,647,695	\$ 3,808,600
6/30/2001	\$ 47,669	\$ 269,413	\$ 1,121,554	\$ 8,255,642	\$ 4,026,436
6/30/2002	\$ 51,694	\$ 299,245	\$ 1,065,092	\$ 8,867,949	\$ 4,349,046

**16****POST-EMPLOYMENT BENEFITS**

The State provides health, dental and life insurance benefits for certain retirees and their dependents. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to \$5,000 per annuitant age 60 and older. For fiscal year 2002, the State did not segregate payments made to retirees from those made to current employees for health and dental, and life insurance benefits. The total cost of all members, including post-employment health and dental, and life insurance benefits, is recognized as an expenditure in the accompanying financial statements as claims are reported and are financed on a pay-as-you-go basis. For fiscal year 2002, the cost of providing post-employment health and dental benefits and life insurance benefits for the approximately 82,600 retirees was estimated to be \$321.3 million and \$11.2 million, respectively.

The State also provides health insurance benefits to non-State employees who are annuitants of the Teachers' Retirement System (TRS). Funding is provided by a one-half of one percent contribution from active teachers and matching appropriations from the State to pay the subsidy portion of participating annuitants. Persons enrolling in TRS managed care or residing in areas with no managed care receive a 75% premium subsidy. All others receive a 50% subsidy. At June 30, 2002, there were approximately 38,000 TRS annuitants enrolled in the health plan. Payments into this plan by the annuitants as well as the state subsidy were approximately \$89.0 million for the year ended June 30, 2002. The teachers' health insurance program is administered by the Illinois Department of Central Management Services (CMS) and is accounted for in the Teachers' Health Insurance Security Fund, a non-major enterprise fund. TRS is responsible for program enrollment and eligibility determination. CMS is responsible for providing information and consultation to plan participants.

**17****FUND DEFICITS****Primary Government***Major Governmental Funds*

The State's General Fund, from which a significant portion of day to day operating expenditures are paid, has a GAAP deficit aggregating \$3.306 billion at June 30, 2002, although the budgetary basis fund deficit at that date was \$1.220 billion. This deficit results from a substantial decrease in current year revenues due to the economy in addition to the recognition of fund liabilities significantly in excess of accrued revenues.

*Nonmajor Governmental Funds*

The DHS Special Purposes Trust Fund of the Department of Human Services has a deficit at

June 30, 2002 aggregating \$1.3 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Special Education Medicaid Matching Fund of the Department of Public Aid has a deficit at June 30, 2002, aggregating \$33.1 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The County and Mass Transit District Fund of the Department of Revenue has a deficit at June 30, 2002, aggregating \$.4 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Local Government Tax Fund of the Department of Revenue has a deficit at June 30, 2002, aggregating \$3.5 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Personal Property Tax Replacement Fund of the Department of Revenue has a deficit at June 30, 2002, aggregating \$6.7 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Federal/Local Airport Fund of the Department of Transportation has a deficit at June 30, 2002, aggregating \$10.3 million, resulting from the recognition of fund liabilities in excess of accrued revenues on the modified accrual basis.

The Drivers Education Fund of the State Board of Education has a deficit at June 30, 2002, aggregating \$7.4 million, resulting from reimbursement to school districts for drivers education program costs incurred in the current year but not paid until the subsequent year.

The Federal Department of Agriculture Fund of the State Board of Education has a deficit at June 30, 2002, aggregating \$.6 million, resulting from program costs incurred in the current year but not paid until the subsequent year.

The Federal Department of Education Fund of the State Board of Education has a deficit at June 30, 2002, aggregating \$11.8 million, resulting

from a liability recorded due to a lawsuit settlement during fiscal year 2002.

The Capital Development Fund of the Capital Development Board has a deficit at June 30, 2002 aggregating \$14.7 million, resulting from recognition of fund liabilities in excess of accrued revenues.

The School Construction Fund of the Capital Development Board has a deficit at June 30, 2002, aggregating \$9.9 million, resulting from recognition of fund liabilities in excess of accrued revenues.

The above Governmental Funds' deficits will be eliminated by future revenue increases and/or expenditure reductions in the following year(s).

#### *Nonmajor Enterprise Funds*

The Prepaid Tuition Fund of the Illinois Student Assistance Commission has a deficit at June 30, 2002, aggregating \$41.6 million, resulting from program costs incurred since the inception of the program which will be paid in subsequent years.

The Local Government Health Insurance Reserve Fund of the Department of Central Management Services has a deficit at June 30, 2002, aggregating \$14.3 million. Premium rates were increased by 15.8% for fiscal year 2002 and will continue to increase to meet program cost increases and to eventually eliminate the net asset deficit.

## **18**

### **RISK MANAGEMENT**

#### **Primary Government:**

The State is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; workers compensation and natural disasters. The State retains the risk of loss (i.e. self insured) for these risks except minimal commercial insurance. There were no significant reductions in insurance coverage from the prior fiscal year. The amount of settlements has not exceeded insurance coverage in the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claims liabilities are based upon the estimated ultimate cost of settling the claims including specific, incremental claim adjustment expenses, salvage, and subrogation and considering the effects of inflation and recent claim settlement trends including frequency and amount of payouts and other economic and social



factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an interest rate of 5.03% which is the average interest rate for fiscal year 2002 general obligation debt issues.

The State's risk financing of auto liability has been determined using an estimate of claims outstanding. The liability is expected to be paid from future resources of the General Fund and Road Fund in the amount of \$2.2 million and \$5.5 million, respectively.

The workers compensation liability has been determined using claims outstanding and a projection of claims to be submitted, based upon prior years experience of the State. Claims that will be liquidated with expendable available financial resources have been recorded as a liability in the General Fund, the Road Fund and the Mental Health Fund (a non-major governmental fund), in the amounts of \$4.5, \$2.2 and \$.1 million, respectively. The remaining portion of the liability, \$125.9 million as of June 30, 2002, is included in the government-wide financial statement. Of this liability, \$61.5, \$29.0 and \$35.4 million are expected to be paid from future resources of the General Fund, the Road Fund and the Mental Health Fund, respectively.

The following is a reconciliation of the State's claims liabilities for the year ended June 30, 2002:

Table 19-1 (amounts expressed in thousands)				
Year Ended June 30	Changes in Claims Liability Balances			Ending Balance
	Beginning Balance	Claims Incurred	Decreases	
2001	\$129,681	\$ 80,289	\$ 70,018	\$ 139,952
2002	\$139,952	\$ 67,704	\$ 67,213	\$ 140,443

The State administers the following public entity risk pools for non-state employers: 1) the Local Government Health Insurance Reserve Fund offers a health insurance program to local governments for its employees and retirees, 2) the Teacher Health Insurance Security Fund offers health insurance to school districts for its teachers and retirees and 3) the Community College Health Insurance Security Fund offers health insurance to community college retirees and their dependent beneficiaries. These funds are presented as non-major enterprise funds in the State's CAFR. Detailed information on these programs can be obtained from the Department of Central Management Services, Division of Risk Management, 604 Stratton Office Building, Springfield, Illinois, 62706, which administers the plans. The Financial audit report for the Department of Central Management Services includes fund financial statements and the required pool supplementary disclosures for these three plans.

#### Component Unit:

The University of Illinois, a component unit, records an accrued self-insurance liability which covers hospital patient liability; hospital and medical professional liability; estimated general and contract liability; and workers' compensation liability related to employees paid from local funds. The University's accrued self-insurance liability was \$81.3 million as of June 30, 2002. The accrued self-insurance liability was discounted at a rate of 6% at June 30, 2002. Amounts increasing the accrued self-insurance liability are charged as expenses based upon estimates made by actuaries and the University's risk management division. The workers' compensation self-insurance liability of \$7.1 million at June 30, 2002 related to employees who are paid from State appropriations is included in the University's accounts payable. These claims will be paid from State appropriations in the year in which the claims are finalized, rather than from unrestricted net assets at June 30, 2002.

Accrued self-insurance includes \$52.2 million at June 30, 2002 for the currently estimated ultimate cost of uninsured medical malpractice liabilities. Ultimate cost consists of amounts estimated by the University's risk management division and independent actuaries for asserted claims, unasserted claims arising from reported incidents, expected litigation expenses, and amounts determined by actuaries using relevant industry data and hospital specific data to cover projected losses for claims incurred but not reported. Because the amounts accrued are estimates, the aggregate claims actually incurred could differ significantly from the accrued self-insurance

liability at June 30, 2002. Changes in these estimates will be reflected in the Component Unit Statement of Revenues, Expenses and Changes in Net Assets in the period when additional information is available.

The University has contracted with several commercial carriers to provide varying levels and upper limits of excess indemnity coverage. These coverages have been considered in determining the required accrued self-insurance liability. There were no settlements which exceeded insurance coverage during the last three years.

## 19

### COMMITMENTS AND CONTINGENCIES

#### (A) Construction Commitments

The Department of Transportation has outstanding construction commitments for highway improvement programs of \$1.094 billion as of June 30, 2002. These commitments will be financed through State reappropriations, with \$703 million available for federal reimbursement. Also, the Capital Development Board has outstanding construction commitments for building and building additions and improvements of \$201.2 million as of June 30, 2002, which will be financed through State reappropriations. The Illinois State Toll Highway Authority, reported on a December 31st year end, has entered into commitments for road construction of \$10.1 million as of December 31, 2001. Illinois State University, Northern Illinois University, Southern Illinois University, and the University of Illinois have outstanding construction commitments for various building and building improvement projects of \$.6, \$.7, \$.2, \$.3, \$.4 and \$.5 million, respectively.

#### (B) Protested Taxes

Between 1993 through 1996, Consolidated cases were filed in the Circuit Court of Sangamon County challenging the constitutionality of Illinois' former Insurance premium tax and the applicability of the Illinois Retaliatory Tax Statute (215 ILCS 5/444 and 5/444.1). As there

is a reasonable possibility that the cases could be finally decided in favor of the plaintiffs, the State has treated the full amount in the protest account as a contingent claim of \$16.8 million.

#### (C) Federal Disallowance

In December 1994, the Centers for Medicare and Medicaid Services (CMS, formerly known as Health Care Financing Administration) informed the State that there is a potential disallowance of federal financial participation of \$112 million related to the fiscal year 1993 Nursing Home Assessment. On June 15, 2000, CMS provided a draft audit report that indicated that the State owes \$89.6 million and gave the State until July 14, 2000 to respond. The State's Department of Public Aid responded on July 14, 2000, challenging CMS's draft report. On December 19, 2000, CMS issued its final report, which recommended that the State repay \$89.6 million within 30 days. The final report further stated that if repayment was not made within 30 days, a formal disallowance would be issued. On January 19, 2001, a formal disallowance was issued.

The Department filed an appeal of the disallowance before the U.S. Department of Health and Human Services Department Grant Appeals Board on February 16, 2001. While the appeal is pending, repayment need not be made,

although interest will accrue on any portion that the State may have to repay. Requests for a stay have been filed by both the Department and CMS in order for the State to pursue a settlement. Any settlement repayments of or offsets to the federal financing participation would not likely occur until fiscal year 2004 at the earliest.

***(D) Federal Funding***

The State receives federal grants which are subject to review and audit by federal grantor agencies. Certain costs could be questioned as not being an eligible expenditure under the terms of the grants. At June 30, 2002, other than those identified in note 19(C) above, there were no material questioned costs that have not been resolved with the federal awarding agencies. However, questioned costs could still be identified during audits to be conducted in the future. Management of the State believes there will be no material adjustments to the federal grants and, accordingly, has not recorded a provision for possible repayment.

***(E) Tobacco Settlement***

A Master Settlement Agreement (MSA) was executed in November of 1998 between five tobacco companies and 46 states, including the State of Illinois. The MSA called for, among other things, the payment of more than \$200 billion allocated to the states in installments payable until the year 2025 with additional payments continuing thereafter in perpetuity. The Illinois share is expected to be \$9.1 billion through 2025. The payments are subject to various adjustments such as those for volume shipped, inflation, and the success of litigation by other governmental units and could amount to less than the expected amounts. Various aspects of the MSA have been challenged in court both locally and nationally (See Footnote 20). Because of the novelty of the MSA and of the many related claims and because of the uncertainty inherent in calculation under the MSA, it is not possible to accurately predict the amount of money that will actually be received by the State with reasonable certainty. The State received \$350, \$268 and \$312 million in fiscal

years 2000, 2001 and 2002, respectively, and \$100 million through April 15, 2003, in fiscal year 2003 in proceeds from the MSA.

***(F) Other Legal Proceedings***

The State, its units and employees are party to numerous legal proceedings, many of which normally recur, in governmental operations. In addition, the State and its units are involved in certain other legal proceedings, which, if decided adversely to the State, may require the State to make material future expenditures for expanded services or capital facilities or may impair future revenue sources. It is neither possible to determine the outcome of these proceedings nor to estimate the possible effects adverse decisions may have on future expenditures or revenue sources.

***(G) Illinois Housing Development Authority Bonds (IHDA)***

The IHDA, a component unit of the State, has a portion of its general obligation bonds that are moral obligations of the State. In the event that the IHDA determines that funds will not be sufficient for the payment of principal and interest on these bonds, the Chairman of the IHDA shall certify to the Governor as soon as practicable the amount required by the IHDA to enable it to pay such principal and interest. The Governor shall include the amount so certified in the State budget; however, the General Assembly has no obligation to appropriate funds to IHDA. As of June 30, 2002, the outstanding balance of bonds, which the State is morally obligated to repay is \$327.7 million.

***(H) Metropolitan Pier and Exposition Authority (McCormick Place)***

The Authority is authorized by the Metropolitan Pier and Exposition Authority Act to issue bonds in the principal amount of \$312.5 million, excluding refunding bonds issued after January 1, 1986. These bonds were issued (1) to pay construction costs of completing the McCormick Place expansion, (2) to pay the construction costs of projects authorized by the Illinois General

Assembly in the future, (3) to refund any outstanding bonds of the McCormick Place that were issued prior to July 1, 1984 and (4) to provide for the acquisition and improvement of Navy Pier in Chicago. In order to provide funding for the debt service requirements on these bonds, the Illinois General Assembly amended tax laws to provide for 1.75% of total State sales tax revenues, 3% of 94% of total hotel room rental receipts, and \$1.7 million per year out of 7% of State racing tax revenues to be deposited into the Build Illinois Fund. Within the Build Illinois Fund are credits to separate accounts, of which one is the "McCormick Place Account" and has first priority credit of the amounts collected.

The bonds are special obligations of the Authority and are payable from and secured by a pledge of revenues derived from dedicated state taxes, discussed above, imposed and collected by the State of Illinois. For State fiscal years in which these bonds are outstanding, the State shall transfer from the McCormick Place Account in the Build Illinois Fund to the Metropolitan Fair and Exposition Authority Improvement Bond Fund an amount equal to 150% of the Authority's certified amount for that fiscal year divided by the number of months during that fiscal year in which bonds of the Authority are outstanding. The maximum amount in any fiscal year shall not exceed \$33.5 million or a lesser sum as is actually necessary and required to pay the debt service requirements for that fiscal year after giving effect to net operating revenues of the Authority available for that purpose as certified by Authority. During fiscal year 2002, debt service requirements were \$31.6 million. However, the amount paid to the Authority based on their annual certification was \$30.3 million, which is below the authorized amount of \$33.5 million.

The Authority is also authorized to issue an additional \$2,107 million of bonds (excluding refunding bonds) which were used to finance the McCormick Place expansion and certain other improvements to its facilities and Navy Pier. These bonds are special, limited obligations of the Authority and are payable from and secured

by a pledge of revenues derived from Authority taxes and State sales tax deposits. For State fiscal years when these bonds are outstanding, monthly deposits of Authority taxes to the McCormick Place Expansion Project Fund are required to be made in an amount equal to 1/8 of the annual debt service as specified in the Authority's Annual Certification plus any prior months' deficiencies in transfers. To the extent that Authority taxes are not sufficient to satisfy the requirements of the Authority's Annual Certification, State sales taxes are deposited into the McCormick Place Expansion Fund. The maximum amount that can be deposited into the McCormick Place Expansion Project Fund from the State sales taxes shall not exceed \$93 million in fiscal year 2002, \$99 million in fiscal year 2003, \$103 million in fiscal year 2004, \$108 million in fiscal year 2005, \$113 million in fiscal year 2006 and graduating to \$275 million in fiscal year 2023 until fiscal year 2042. During fiscal year 2002, debt service requirements for these bonds were \$84 million. The amount paid to the Authority based on their annual certification was \$83.8 million. During fiscal year 2002, only deposits from the Authority's taxes were used to pay to the Authority for the debt service requirements, the State sales tax was not required.

#### ***(I) Regional Transportation Authority (RTA)***

The RTA was authorized by the Regional Transportation Authority Act to issue bonds in the principal amount of \$100 million on or after January 1, 1990 and increasing \$100 million per year until January 1, 1994, for a total authorization of \$500 million used for Strategic Capital Improvement Projects (SCIP). Effective July 1, 1999, Public Act 91-37 authorized the RTA to issue additional bonds in the principal amount of \$260 million on or after January 1, 2000 and increasing \$260 million per year until January 1, 2004 for an additional authorization of \$1,300 million to be used for SCIP. Public Act 91-37 also authorized the issuance of refunding SCIP bonds. The proceeds of SCIP bonds were used to acquire, repair or replace public transportation facilities in the metropolitan region as approved by the Governor.

The bonds are general obligations of the RTA to which the full faith and credit of the RTA is pledged. However, for State fiscal years in which the SCIP bonds are outstanding, the State's assistance shall be transferred monthly from the General Revenue Fund to the Public Transportation Fund for payment in amount equal to the lesser of monthly debt service on the SCIP bonds, or one-twelfth of the amount of the State's assistance as provided in the authorization. The authorization currently provides for \$55 million each year with an additional \$35 million in fiscal year 2002, \$54 million in fiscal year 2003, \$73 million in fiscal year 2004, \$93 million in fiscal year 2005, and \$100 million each fiscal year thereafter. During fiscal year 2002, the State provided \$43.4 million to the RTA, which is below the authorized amount of \$90 million. Although the amount of the State's assistance is measured by the debt service on the SCIP bonds, the assistance is not pledged for payment of, or security for, the SCIP bonds. The State's assistance is paid directly to the Authority and may be spent by the Authority at its discretion.

***(J) Illinois Sports Facilities Authority  
(Authority)***

The Authority was authorized by the Illinois Sports Facilities Act to issue bonds and notes in the principal amount not to exceed 1) \$150 million in connection with facilities owned by the Authority, 2) \$399 million in connection with facilities owned by a governmental owner other than the Authority and 3) to refund, advance refund or refinance any of its bonds then outstanding.

The bonds are secured by payments from the Illinois Sports Facilities Fund from collections of 1) the State's Hotel Operator's Occupation Tax in an amount equal to the applicable advance amount plus \$5 million and 2) the City of Chicago's share of the Local Government Distributive Fund in the amount of \$5 million. This advance amount is required to be repaid by the Authority from collections of the Authority's Hotel Tax to the State's General Fund by the end of the fiscal year. In the event of a deficiency in the Hotel Tax, amounts otherwise payable to the

City of Chicago from the Local Government Distributive Fund should be used for the repayment.

Annually, the Authority is required to certify to the State Comptroller and the State Treasurer their requirements for the next fiscal year. This certification shall be the lesser of a) the advance amount plus \$10 million and 2) the amount to pay principal and interest and other payments relating to its obligations issued or to be issued during the fiscal year plus the amount anticipated to pay obligations under provisions of any management agreement with respect to facilities owned by the Authority or any assistance agreement with respect to any facility for which financial assistance is provided under the Act plus an amount to pay other capital or operating expenses of the Authority. Under this formula, the maximum advance amount for fiscal year 2002 was \$22.179 million plus \$10 million for a total of \$32.179 million. The Authority's annual certification for fiscal year 2002 was in the amount of \$25.712 million, which is below the maximum amount authorized. Payments related to the annual certification, which are subject to appropriation by the General Assembly, were paid to the Authority. The Authority repaid the advance amount by the end of the fiscal year and used excess funds to repay the \$5 million received from the State's Hotel Operator's Occupation Tax.

In future years, the advance amount increases by 105.615% of the preceding advance amount through fiscal year 2032. Including the additional \$10 million, the maximum which could be certified each year is \$33.425 million in fiscal year 2003, \$34.741 million in fiscal year 2004, \$36.131 million in fiscal year 2005, \$37.599 million in fiscal year 2006 and graduating to \$124.252 million in fiscal year 2032. Of these amounts, only \$5 million per year is the State's share.

***(K) Southwestern Illinois Development  
Authority (SWIDA) Revenue Bonds***

The SWIDA, which is a component unit of the State, has issued revenue bonds. The proceeds of

these bonds were loaned to several companies for the acquisition of land and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by SWIDA loan agreements with the companies. These bonds bear interest at rates ranging from 3.9% to 9.25% and mature annually through 2021. The State has accepted a moral obligation to repay the bonds in the event the SWIDA and the companies are unable to meet the bonds' repayment commitments.

As of June 30, 2002 the outstanding balance of bonds, which the State is morally obligated to repay, is \$73.7 million.

**(L) Quad Cities Regional Economic Development Authority (Authority) Revenue Bonds**

The Authority, which is a component unit of the State, has issued revenue bonds. The proceeds of which were loaned to various companies to provide permanent financing for the acquisition and construction of various types of facilities. These companies are primarily liable for repayment of the bonds, which are secured by (i) mortgages and security agreements (ii) a leasehold mortgage and security agreement, (iii) an assignment of leases, rents and revenue and/or (iv) a guaranty, to the trustee. The bonds mature semiannually through 2017 and bear interest at rates of 8.7% and 9.75%. The State has accepted a moral obligation to repay the bonds in the event the Authority and the companies are unable to meet the bonds' repayment commitments.

At June 30, 2002, the outstanding balance which the State is morally obligated to repay, is \$13.4 million. This amount is based on maturity

schedules of the outstanding bonds since a confirmation had not been received from the Authority by the State as of the report date.

**(M) Upper Illinois River Valley Development Authority (UIRVDA) Revenue Bonds**

The UIRVDA, which is a component unit of the State, has issued revenue bonds. The proceeds from these bonds were loaned to a company to finance the acquisition, construction, equipment and installation of a tire recycling and tire-derived fuel processing facility and to refund in advance of their maturity certain bonds.

The company is primarily liable for repayment of the bonds, which are secured by an assignment and a pledge of revenues derived from a separate loan agreement between the UIRVDA and the company. These bonds mature annually through 2014 and bear interest at a rate of 5.9%. The State has accepted a moral obligation to repay the bonds in the event the UIRVDA and the company are unable to meet the bonds' repayment commitments.

At June 30, 2002, the outstanding balance which the State is morally obligated to repay, is \$2.4 million. This amount is based on maturity schedules of the outstanding bonds since a confirmation had not been received from the Authority by the State as of the report date.

**(N) Illinois Housing Development Authority Loans**

The Illinois Housing Development Authority has entered into commitments aggregating \$72.7 million for the purchase of various home loans as of June 30, 2002.

**20****SUBSEQUENT EVENTS****Unemployment Compensation Trust Fund:**

On February 4, 2003, the Governor of the State of Illinois applied for repayable advances to the Unemployment Compensation Trust Fund from the Federal government for the months of February, March and April 2003 in order to pay benefits to claimants as required by law. The Unemployment Compensation Trust Fund was expected to be depleted as of late February or early March 2003, due to extended high unemployment rates during the course of the current recession and tax revenues that have not matched the increased level of unemployment benefit payments. When federal borrowing occurs on or after January 1 of any given year, it must be repaid by September 30 in order to be interest free. If applicable, interest will be assessed during calendar year 2003 at an annual rate of 6.0757% and cannot be paid from the Unemployment Compensation Trust fund.

The Governor's request was approved for an initial borrowing of \$450 million through April 2003, which will be paid off in the first two weeks of May 2003, when the first quarter employer tax contributions are received. It is projected that borrowing will resume in June and continue through the end of the calendar year 2003. The Department projects that there will be a deficit in the Unemployment Compensation Trust Fund through at least 2005, absent a robust economic recovery and/or legislative changes to the system.

**Early Retirement Incentive:**

On June 25, 2002, the Governor signed P.A. 92-566 that amended the Illinois Pension Code and created the Early Retirement Incentive (ERI). The ERI allowed members of the State Employees' Retirement System to purchase up to

five years of service and age enhancement and then leave State employment by January 1, 2003. Employees who took the ERI who subsequently return to service in any permanent position under the State Employees' Retirement System will forfeit the ERI age and service enhancements received and will receive a refund of contributions made under the ERI. As directors of State agencies were allowed to keep key retirees on payroll for seventy-five days after January 1, 2003, the effect of the liquidation on accrued compensated absences is not determinable at this time.

**Moral Obligation Bonds:**

Southwestern Illinois Development Authority (SWIDA), a discreetly presented component unit of the State of Illinois, has been notified, subsequent to June 30, 2002, by UMB Bank (Trustee) that Spectrulite Consortium, Inc. (Obligor) recipient of the Series 1995 Industrial Development Revenue Bonds (Bonds) has petitioned the United States Bankruptcy Court for reorganization under Chapter 11 of Title 11 of the United States Bankruptcy Code. Heretowith, there has been sufficient reserves in the Special Reserve Fund and the Debt Service Reserve Fund that were created pursuant to the Series 1995 Bond Indenture. However, there are not sufficient reserves in these two funds for the debt service payments scheduled for fiscal year 2004.

On February 4, 2003, the Trustee requested the Chairman of SWIDA to certify in writing to the Governor the amount required by the SWIDA to enable it to pay the principal and interest due on the Bonds during fiscal year 2004. Pursuant to the provisions of the bond indenture, this request must be made for sufficient appropriations to be passed for the repayment of the principal and interest due.

**General Obligation, Special Obligation and Revenue Bonds and Notes:**

Subsequent to June 30, 2002, the following general obligation, special obligation and revenue bonds, notes and certificates of participation have been issued:

**Table 21-1 (amounts expressed in millions):**

<b>Series</b>	<b>Date of Issue</b>	<b>Amount of Issue</b>	<b>Interest Rates</b>	<b>Annual Maturity To</b>
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General obligation bonds:				
July, 2002	7/25/2002	\$ 395.0	3.00% to 5.375%	2027
August, 2002 (refunding issue)	8/28/2002	\$ 564.9	3.00% to 5.500%	2019
October, 2002	10/3/2002	\$ 395.0	3.00% to 5.250%	2027
October, 2002 (college savings bonds)	10/31/2002	\$ 62.1	2.33% to 4.990%	2024
December, 2002	12/19/2002	\$ 400.0	3.00% to 5.375%	2027
Special obligation bonds:				
November, 2002 (Build Illinois)	11/26/2002	\$ 182.2	3.25% to 5.25%	2022
December, 2002 (Build Illinois refunding)	12/12/2002	\$ 54.4	5.00% to 5.25%	2018
March, 2003 (Build Illinois refunding)	3/18/2003	\$ 75.8	5.00% to 5.25%	2015
<b>Business-type activities:</b>				
<b>Designated Account Purchase Program:</b>				
Taxable Student Loan Revenue Bond				
Senior Series I1, I2, I3 and				
Senior Series II	8/20/2002	\$ 250.0	Variable	2042
Taxable Education Loan Revenue Notes				
Senior Series 11A, 11B and 12	11/19/2002	\$ 200.0	Variable	2035
<b>Component Units:</b>				
Bonds and notes payable:				
Illinois Rural Bond Bank:				
Public Projects Construction Notes				
Series 2002	7/15/2002	\$ 10.5	3.00%	2003
Illinois Housing Development Authority:				
Homeowner Mortgage Revenue Bonds				
Series 2002-C	7/30/2002	\$ 50.0	2.25% to 5.40%	2033
Housing Finance Bonds				
Series 2002-A	12/23/2002	\$ 19.1	Variable	2037
Multi-Family Housing Revenue Bonds				
Series 2002	12/23/2002	\$ 8.0	3.30% to 5.20%	2034
Southern Illinois University				
Housing and Auxiliary Facilities				
System Revenue Bonds, Series 2003A	2/1/2003	\$ 17.0	1.15% to 4.85%	2029
Illinois State University:				
Auxiliary Facilities System Revenue Bonds				
Series 2003	3/1/2003	\$ 16.9	2.00% to 5.00%	2023
Certificates of Participation:				
University of Illinois				
South Farms Project				
Series 2003	3/1/2003	\$ 25.2	2.00% to 5.25%	2022



On April 10, 2003, the Governor signed Public Act 93-2 into law that establishes the Pension Contribution Fund and authorizes the issuance of up to \$10 billion of general obligation bonds. The proceeds of this issuance are to be deposited into the Pension Contribution Fund. The Pension Contribution Fund will transfer \$.3 billion which represents the required State contributions to the designated retirement systems for the last quarter of State fiscal year 2003, plus \$1.86 billion representing the required State contributions to the designated retirement systems for State fiscal year 2004. The designated retirement systems for purposes of this legislation means the State Employees' Retirement System of the State of Illinois; the Teachers' Retirement System of the State of Illinois; the State Universities Retirement System; the Judges Retirement System of Illinois; and the General Assembly Retirement System.

**Revenue Anticipation Certificates:**

Subsequent to June 30, 2002, the State issued \$1 billion in short-term Revenue Anticipation Certificates. These certificates were issued under the provisions of the Short-Term Borrowing Act.

The certificates were issued on July 23, 2002 and mature in varying amounts in January, 2003, April, 2003, May, 2003 and June, 2003. Interest rates on these certificates range from 2.25% to 3.00%.

**Tobacco Settlement:**

Subsequent to June 30, 2002, the State settled a dispute with its contracted attorneys over legal fees to be paid in conjunction with the suit against tobacco manufacturers and the resulting execution of the Master Settlement Agreement (MSA). The State's contract with its contracted attorneys called for the contracted attorneys to

receive fees in the amount of 10 percent of the State's recovery (estimated to be \$9.1 billion). However, the MSA provided for arbitration to determine the appropriate fees that would be paid out of funds provided by the defendant over and above the states' proceeds. The arbitrator awarded only \$121 million in fees to the State's contracted attorneys causing the State's contracted attorneys to file an attorney's lien against the State's proceeds to recover the difference of \$789 million. The State has agreed to settle the matter by paying \$22.5 million of the State's MSA proceeds in each of the next three fiscal years to the contracted attorneys for a total settlement of \$67.5 million.

On March 21, 2003, private plaintiffs obtained a \$10.1 billion judgment against Philip Morris USA Inc. in a case brought in Madison County for deceiving Illinois smokers into believing light cigarettes were safer than regular cigarettes. Included in the \$10.1 billion was an award of punitive damages in the amount of \$3 billion that the judge ordered to be paid to the State. On April 4, 2003, Philip Morris USA, Inc. obtained a temporary restraining order in the State case from a judge in Cook County preventing the State from collecting the punitive damages awarded in the Madison County case. In addition, on April 15, 2003, Philip Morris USA Inc. made payment on a \$6 billion appeal bond in order to appeal the decision made in Madison County.

**Pension Trust Fund Investments:**

Investment assets of the State's pension trust funds had declines subsequent to year-end. Additional information on subsequent events for State sponsored retirement systems may be found in their publicly available financial reports. (See Footnote 15)

**REQUIRED SUPPLEMENTARY INFORMATION**

**State of Illinois**

**Budgetary Comparison Schedule  
Major Governmental Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	General Fund				Road	
	Original Budget	Final Budget	Actual	Variance Over (Under)	Original Budget	Final Budget
<b>REVENUES:</b>						
Income taxes	\$ 10,432,879	\$ 10,577,879	\$ 9,287,485	\$ (1,290,394)		
Sales taxes	6,400,000	6,575,000	6,050,553	(524,447)		
Motor fuel taxes						
Public utility taxes	1,200,000	1,200,000	1,103,784	(96,216)		
Federal government	6,209,996	5,030,796	5,169,015	138,219	\$ 865,100	\$ 865,100
Other	4,019,168	3,102,668	3,011,760	(90,908)	918,300	918,300
Less:						
Refunds	1,087,477	1,087,477	1,081,563	(5,914)	3,216	3,216
<b>Total revenues</b>	<b>27,174,566</b>	<b>25,398,866</b>	<b>23,541,034</b>	<b>(1,857,832)</b>	<b>1,780,184</b>	<b>1,780,184</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	12,715,861	12,715,861	12,394,115	(321,746)		
Education	8,863,965	8,863,965	8,799,105	(64,860)		
General government	1,392,347	1,392,347	1,359,846	(32,501)	170,273	170,273
Transportation	64,278	64,278	57,484	(6,794)	1,600,079	1,600,079
Public protection and justice	1,917,012	1,917,012	1,820,590	(96,422)	52,733	52,733
Employment and economic development	211,368	211,368	203,718	(7,650)	2,000	2,000
Environment and business regulation	225,798	225,798	207,518	(18,280)		
Debt service:						
Principal	500	500	260	(240)		
Capital outlays	58,430	58,430	40,620	(17,810)	34,216	34,216
<b>Total expenditures</b>	<b>25,449,559</b>	<b>25,449,559</b>	<b>24,883,256</b>	<b>(566,303)</b>	<b>1,859,301</b>	<b>1,859,301</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,725,007</b>	<b>(50,693)</b>	<b>(1,342,222)</b>	<b>(1,291,529)</b>	<b>(79,117)</b>	<b>(79,117)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	4,689,008	4,673,408	5,134,964	461,556	326,600	326,600
Operating transfers-out	(5,178,347)	(5,178,347)	(5,178,347)	-	(210,931)	(210,931)
<b>Total other sources (uses) of financial resources</b>	<b>(489,339)</b>	<b>(504,939)</b>	<b>(43,383)</b>	<b>461,556</b>	<b>115,669</b>	<b>115,669</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>1,235,668</b>	<b>(555,632)</b>	<b>(1,385,605)</b>	<b>(829,973)</b>	<b>36,552</b>	<b>36,552</b>
Budgetary fund balances, July 1, 2001	328,022	328,022	328,022	-	775,760	775,760
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 1,563,690</b>	<b>\$ (227,610)</b>	<b>\$ (1,057,583)</b>	<b>\$ (829,973)</b>	<b>\$ 812,312</b>	<b>\$ 812,312</b>



**Notes to Budgetary Comparison Schedule – Budget and Actual****– Major Governmental Funds**

For the Year Ended June 30, 2002

**A. Budgetary Basis of Accounting**

The State Constitution requires the Governor to prepare and submit to the General Assembly an Executive Budget for the ensuing fiscal year. The budget covers most funds held by the State, but excludes all locally held funds and various treasury held funds which are not subject to appropriation pursuant to State law. The General Assembly enacts the budget through passage of specific line-item appropriations (i.e., personal services, contractual services, equipment, etc.), the sum of which must not exceed estimated revenues pursuant to the State Constitution. The Governor has the power to approve, reduce or veto each appropriation passed by the General Assembly. Transfers-in and transfers-out contained in the Executive Budget are not a part of the General Assembly's appropriation process. The actual amounts are determined either by State law or by discretionary action available to the Governor. The Statewide Accounting Management System controls expenditures by line item as established in approved appropriation bills and ensures that appropriated expenditure amounts are not exceeded.

The level of legal control is at the line-item appropriation level as reported in a publication titled *Illinois Detailed Annual Report of Revenues and Expenditures* (i.e., Office of the Comptroller, Department of Human Services, Department of Corrections, etc). A separate document is necessary due to the States' large amount of appropriated line-items. Administrative transfers between certain appropriation line items within the same treasury held fund cannot exceed 2% of the aggregate amount appropriated to an agency from that fund. Examples of appropriation line items with a 2% transfer limit are Contractual Services, Travel, Commodities, Printing and Equipment. Legislative action is required for more substantial transfers. Unexpended appropriations at June 30 are available for subsequent expenditure to the extent that encumbrances have been incurred at June 30, provided they are presented for payment during the succeeding 2-month "lapse period." Certain appropriations referred to as "reappropriations" represent the continuation of a prior year's program that requires additional time for completion.

The original budgeted revenues represent estimates while original budgeted expenditures represent original and continuing appropriations enacted into law by appropriation bills. Generally accepted accounting principles (GAAP) requires that the final legal budget be reflected in the final budget column, therefore, updated revenue estimates have been reported. Final expenditure budgets represent original and continuing appropriations modified by supplemental and amendatory appropriations. The State's basis of budgeting is essentially on the cash basis, modified for expenditures during the lapse period (beginning and end of year) as described in the preceding paragraph.

The Budgetary Comparison Schedule – Major Governmental Funds presents the original legally adopted budget, as well as comparisons of the final legally adopted budget with actual data on a budgetary basis for the State's major governmental funds: the General Fund, the Road Fund, the Motor Fuel Tax Fund and the School Construction Account.

The supplementary portion of this report includes a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for all funds of the State with annual budgets as classified for budgetary purposes. Those schedules only include the final appropriated budget.

## B. Budgetary-GAAP Reporting Reconciliation

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with GAAP, a reconciliation of differences between budgetary and GAAP presentations for the year ended June 30, 2002 is presented below for the major governmental funds (amounts expressed in thousands):

Table 1-1 (amounts expressed in thousands)				
	MAJOR GOVERNMENTAL FUNDS			
	General Fund	Road Fund	Motor Fuel Tax Fund	State Construction Account
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (budgetary basis)	\$ (1,385,605)	\$ 80	\$ 2,835	\$ (110,603)
Adjustments:				
To adjust revenues, related receivables and deferred revenue	(1,581,011)	(17,729)	5,006	(23,646)
To adjust expenditures and related liabilities	1,077,848	(47,829)	(12,507)	(10,038)
To adjust for lapse period expenditures which were not recorded as liabilities	(43,206)	(3,016)	(35)	-
Excess (deficiency) or revenues over (under) expenditures/expenses and other sources (uses) of financial resources into financial resources (GAAP basis) - budgetary classifications	(1,931,974)	(68,494)	(4,701)	(144,287)
To record excess (deficiency) of revenues over (under) expenditures/expenses and other sources (uses) of financial resources for nonbudgeted accounts	(9,150)	-	-	-
Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources (GAAP basis)	<u>\$ (1,941,124)</u>	<u>\$ (68,494)</u>	<u>\$ (4,701)</u>	<u>\$ (144,287)</u>

## Required Supplementary Information

## Pension Trust Funds – Schedule of Funding Progress

(Unaudited)

The following schedule of funding progress (dollar amounts in thousands) for the State of Illinois' retirement systems is provided for fiscal years ended June 30, 2000, 2001 and 2002.

	(a)	(b)	(c)	(d)	(e)	(f)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL") Projected Unit Credit	Unfunded AAL ("UAAL") (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a Percentage of Covered Payroll (c/e)
General Assembly						
6/30/2000	\$ 70,471	\$ 169,363	\$ 98,892	41.6%	\$ 10,763	918.8%
6/30/2001	\$ 61,998	\$ 177,546	\$ 115,548	34.9%	\$ 11,479	1006.6%
6/30/2002	\$ 54,051	\$ 184,583	\$ 130,532	29.3%	\$ 12,089	1079.8%
Judges'						
6/30/2000	\$ 422,934	\$ 871,153	\$ 448,219	48.5%	\$ 104,000	431.0%
6/30/2001	\$ 381,734	\$ 937,092	\$ 555,358	40.7%	\$ 109,900	505.3%
6/30/2002	\$ 343,659	\$ 1,020,847	\$ 677,188	33.7%	\$ 118,700	570.5%
State Employees'						
6/30/2000	\$ 8,910,901	\$ 10,912,988	\$ 2,002,087	81.7%	\$ 3,370,696	59.4%
6/30/2001	\$ 8,276,661	\$ 12,572,240	\$ 4,295,579	65.8%	\$ 3,564,441	120.5%
6/30/2002	\$ 7,673,893	\$ 14,291,044	\$ 6,617,151	53.7%	\$ 3,713,020	178.2%
Teachers'						
6/30/2000	\$ 24,481,413	\$ 35,886,404	\$ 11,404,991	68.2%	\$ 6,062,884	188.1%
6/30/2001	\$ 23,315,646	\$ 39,166,697	\$ 15,851,051	59.5%	\$ 6,430,612	246.5%
6/30/2002	\$ 22,366,285	\$ 43,047,674	\$ 20,681,389	52.0%	\$ 6,785,236	304.8%
State Universities						
6/30/2000	\$ 12,063,950	\$ 13,679,039	\$ 1,615,089	88.2%	\$ 2,424,200	66.6%
6/30/2001	\$ 10,753,297	\$ 14,915,317	\$ 4,162,020	72.1%	\$ 2,474,631	168.2%
6/30/2002	\$ 9,814,677	\$ 16,654,041	\$ 6,839,364	58.9%	\$ 2,607,155	262.3%

## **GENERAL FUND**

The General Fund is maintained to account for resources obtained and used for those services traditionally provided by State government which are not required to be accounted for in another fund.

### **SIGNIFICANT GENERAL FUND ACCOUNT DESCRIPTIONS**

General Revenue Account--to account for resources obtained and used which are not required to be accounted for in another fund or account.

Education Assistance Account--to provide funding for elementary and secondary education programs and for higher education programs.

Common School Account--to provide funding for elementary and secondary education agencies including General State Aid, School District Consolidation Incentives and operational funding of Educational Services Regions.

University of Illinois Hospital Services Account--to provide medical services at the University of Illinois Hospital.

County Hospital Services Account--to provide for medical services at Cook County hospitals.

Long-Term Care Provider Account--to provide for medical services at long-term health care centers.



**State of Illinois**

**Combining Schedule of Accounts**

**General Fund**

June 30, 2002 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 51,234	\$ 201,605	\$ 66,051	\$ 21,120		\$ 340,010
Investments	268,549					268,549
Receivables, net:						
Taxes	745,793	29,098	114,382	64,009		953,282
Intergovernmental	655,232			318,577		973,809
Other	15,498		43	46		15,587
Due from other funds	77,166	5,101	58	1,945	\$ (8,592)	75,678
Due from component units	3,322	63		11,322		14,707
Inventories	34,981					34,981
Loans and notes receivable	13,743					13,743
Other assets	12,480					12,480
<b>Total assets</b>	<b>\$ 1,877,998</b>	<b>\$ 235,867</b>	<b>\$ 180,534</b>	<b>\$ 417,019</b>	<b>\$ (8,592)</b>	<b>\$ 2,702,826</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 3,416,016	\$ 250	\$ 55,191	\$ 347,227		\$ 3,818,684
Intergovernmental payables	1,167,549	13		1,064		1,168,626
Due to other funds	387,055	144	46,456	8,654	\$ (8,592)	433,717
Due to component units	67,941	135		21,740		89,816
Deferred revenues	387,513	13,155	5,515	87,508		493,691
Matured portion of long-term liabilities	4,531					4,531
<b>Total liabilities</b>	<b>5,430,605</b>	<b>13,697</b>	<b>107,162</b>	<b>466,193</b>	<b>(8,592)</b>	<b>6,009,065</b>
<b>FUND BALANCES (DEFICITS)</b>						
Reserved for:						
Encumbrances	97,493	86		166		97,745
Long-term portion of:						
Intergovernmental receivables	352					352
Loans and notes receivable	13,058					13,058
Other assets	5,895					5,895
Inventories	34,981					34,981
Unreserved	(3,704,386)	222,084	73,372	(49,340)		(3,458,270)
<b>Total fund balances (deficits)</b>	<b>(3,552,607)</b>	<b>222,170</b>	<b>73,372</b>	<b>(49,174)</b>	<b>-- --</b>	<b>(3,306,239)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,877,998</b>	<b>\$ 235,867</b>	<b>\$ 180,534</b>	<b>\$ 417,019</b>	<b>\$ (8,592)</b>	<b>\$ 2,702,826</b>

**State of Illinois**

**Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	General Revenue Account	Education Assistance Account	Common School Account	Medicaid Provider Assessment Program	Eliminations	Total
<b>REVENUES</b>						
Income taxes	\$ 7,314,088	\$ 602,886				\$ 7,916,974
Sales taxes	4,497,618		\$ 1,497,142			5,994,760
Public utility taxes	962,887		119,581			1,082,468
Other taxes	1,241,801		145,102	\$ 189,479		1,576,382
Federal government	4,111,612			1,151,371		5,262,983
Licenses and fees	75,958		694			76,652
Interest and other investment income	116,958		606	1,065		118,629
Other	272,203	364		637,798		910,365
<b>Total revenues</b>	<b>18,593,125</b>	<b>603,250</b>	<b>1,763,125</b>	<b>1,979,713</b>		<b>22,939,213</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	10,248,885			2,084,224		12,333,109
Education	4,126,012	1,227,626	3,301,992			8,655,630
General government	1,416,831	176	76			1,417,083
Employment and economic development	200,039					200,039
Transportation	56,468					56,468
Public protection and justice	1,828,005					1,828,005
Environment and business regulations	206,757					206,757
Debt service:						
Principal	9,963					9,963
Interest	2,515					2,515
Capital outlays	51,863	2,783		6		54,652
<b>Total expenditures</b>	<b>18,147,338</b>	<b>1,230,585</b>	<b>3,302,068</b>	<b>2,084,230</b>		<b>24,764,221</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>445,787</b>	<b>(627,335)</b>	<b>(1,538,943)</b>	<b>(104,517)</b>		<b>(1,825,008)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in	895,850	459,871	1,488,484	204,700	\$ (1,206,243)	1,842,662
Transfers-out	(3,119,887)			(64,722)	1,206,243	(1,978,366)
Capital lease financing	19,588					19,588
<b>Net other sources (uses) of financial resources</b>	<b>(2,204,449)</b>	<b>459,871</b>	<b>1,488,484</b>	<b>139,978</b>	<b>-- --</b>	<b>(116,116)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(1,758,662)</b>	<b>(167,464)</b>	<b>(50,459)</b>	<b>35,461</b>	<b>-- --</b>	<b>(1,941,124)</b>
Fund balances (deficits), July 1, 2001	(1,793,708)	389,634	123,831	(84,635)		(1,364,878)
Increase (decrease) for changes in inventories	(237)					(237)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (3,552,607)</b>	<b>\$ 222,170</b>	<b>\$ 73,372</b>	<b>\$ (49,174)</b>	<b>\$ -- --</b>	<b>\$ (3,306,239)</b>

**State of Illinois****Combining Schedule of Accounts - General Fund****Medicaid Provider Assessment Program**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 971	\$ 5,085	\$ 6,860	\$ 8,204	\$ 21,120
Receivables, net:					
Taxes			63,317	692	64,009
Intergovernmental	18,039	186,773	110,170	3,595	318,577
Other		29	2	15	46
Due from other funds				1,945	1,945
Due from component units	11,322				11,322
<b>Total assets</b>	<b>\$ 30,332</b>	<b>\$ 191,887</b>	<b>\$ 180,349</b>	<b>\$ 14,451</b>	<b>\$ 417,019</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities		\$ 159,459	\$ 180,349	\$ 7,419	\$ 347,227
Intergovernmental payables				1,064	1,064
Due to other funds	\$ 8,592			62	8,654
Due to component units	21,740				21,740
Deferred revenues	9,116	74,861	3,170	361	87,508
<b>Total liabilities</b>	<b>39,448</b>	<b>234,320</b>	<b>183,519</b>	<b>8,906</b>	<b>466,193</b>
<b>FUND BALANCES (DEFICITS)</b>					
Reserved for:					
Encumbrances		166			166
Unreserved	(9,116)	(42,599)	(3,170)	5,545	(49,340)
<b>Total fund balances (deficit)</b>	<b>(9,116)</b>	<b>(42,433)</b>	<b>(3,170)</b>	<b>5,545</b>	<b>(49,174)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,332</b>	<b>\$ 191,887</b>	<b>\$ 180,349</b>	<b>\$ 14,451</b>	<b>\$ 417,019</b>

**State of Illinois**

**Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balance - General Fund**

**Medicaid Provider Assessment Program**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	University of Illinois Hospital Services Account	County Hospital Services Account	Long-Term Care Provider Account	Other Medicaid Provider Assessment Accounts	Total
<b>REVENUES</b>					
Other taxes			\$ 171,629	\$ 17,850	\$ 189,479
Federal government	\$ 103,177	\$ 624,424	303,286	120,484	1,151,371
Interest and other investment income		438	249	378	1,065
Other	70,842	567,008	(68)	16	637,798
<b>Total revenues</b>	<b>174,019</b>	<b>1,191,870</b>	<b>475,096</b>	<b>138,728</b>	<b>1,979,713</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	152,804	1,161,500	633,238	136,682	2,084,224
Capital outlays			6		6
<b>Total expenditures</b>	<b>152,804</b>	<b>1,161,500</b>	<b>633,244</b>	<b>136,682</b>	<b>2,084,230</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>21,215</b>	<b>30,370</b>	<b>(158,148)</b>	<b>2,046</b>	<b>(104,517)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-in	44,700		160,000		204,700
Transfers-out	(64,722)				(64,722)
<b>Net other sources (uses) of financial resources</b>	<b>(20,022)</b>		<b>160,000</b>		<b>139,978</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>1,193</b>	<b>30,370</b>	<b>1,852</b>	<b>2,046</b>	<b>35,461</b>
Fund balances (deficits), July 1, 2001	(10,309)	(72,803)	(5,022)	3,499	(84,635)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (9,116)</b>	<b>\$ (42,433)</b>	<b>\$ (3,170)</b>	<b>\$ 5,545</b>	<b>\$ (49,174)</b>

*State of Illinois*

# Combined Balance Sheet - Non-major Governmental Funds

June 30, 2002 (Expressed in Thousands)

	Permanent Trust Funds				Total Non-major Governmental Funds
	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Other Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,166,952	\$ 512,108	\$ 307,125	\$ 1,825	\$ 2,988,010
Investments	3,020	119,535		1,104	123,659
Receivables, net:					
Taxes	209,248				209,248
Intergovernmental	465,279	50	5,557		470,886
Other	84,657	1,431			86,088
Due from other funds	261,951	316	12,688		274,955
Due from component units	3,721	4,393	6,421		14,535
Inventories	17,735				17,735
Loans and notes receivable, net	99,269	25,072			124,341
Other assets	12,983			2	12,985
<b>Total assets</b>	<b>\$ 3,324,815</b>	<b>\$ 662,905</b>	<b>\$ 331,791</b>	<b>\$ 2,931</b>	<b>\$ 4,322,442</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 308,268	\$ 69	\$ 138,307		\$ 446,644
Intergovernmental payables	1,061,722		27,430		1,089,152
Due to other funds	163,579	49	3,217		166,845
Due to component units	15,426	884	611		16,921
Deferred revenues	209,475		6,629		216,104
Matured portion of long-term liabilities	6,744				6,744
<b>Total liabilities</b>	<b>1,765,214</b>	<b>1,002</b>	<b>176,194</b>		<b>1,942,410</b>
<b>Fund balances:</b>					
Reserved for:					
Encumbrances	212,719		1,558,150		1,770,869
Long-term portion of:					
Other receivables	3,113				3,113
Loans and notes receivable	91,941	23,358			115,299
Inventories	17,735				17,735
Debt service		638,407			638,407
Capital projects			100,779		100,779
Other assets	15,301	138			15,439
Unreserved	1,218,792		(1,503,332)	\$ 2,931	(281,609)
<b>Total fund balances</b>	<b>1,559,601</b>	<b>661,903</b>	<b>155,597</b>	<b>2,931</b>	<b>2,380,032</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,324,815</b>	<b>\$ 662,905</b>	<b>\$ 331,791</b>	<b>\$ 2,931</b>	<b>\$ 4,322,442</b>

**State of Illinois**

**Combined Statement of Revenues, Expenditures  
and Changes in Fund Balances - Non-major Governmental Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Permanent Trust Funds				Total Non-major Governmental Funds
	Special Revenue	Debt Service	Capital Projects	Other Funds	
<b>REVENUES</b>					
Income taxes	\$ 727,166				\$ 727,166
Sales taxes	2,311,612				2,311,612
Motor fuel taxes	69,202				69,202
Public utility taxes	454,820				454,820
Other taxes	742,847				742,847
Federal government	4,948,525		\$ 39,627		4,988,152
Licenses and fees	374,539	\$ 234			374,773
Interest and other investment income	37,172	34,333	315	\$ 83	71,903
Other	711,370	1,342	20,035		732,747
<b>Total revenues</b>	<b>10,377,253</b>	<b>35,909</b>	<b>59,977</b>	<b>83</b>	<b>10,473,222</b>
<b>EXPENDITURES</b>					
Current:					
Health and social services	3,140,500	489		39	3,141,028
Education	1,606,828	1,210	846,192		2,454,230
General government	3,922,764	1,985	37,697		3,962,446
Employment and economic development	804,924	28	241,529		1,046,481
Transportation	499,125		152,681		651,806
Public protection and justice	270,796		103		270,899
Environment and business regulation	489,733	1,724	47,429		538,886
Debt service:					
Principal	3,660	648,126			651,786
Interest	388	402,302			402,690
Capital outlays	41,865		614,836		656,701
<b>Total expenditures</b>	<b>10,780,583</b>	<b>1,055,864</b>	<b>1,940,467</b>	<b>39</b>	<b>13,776,953</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(403,330)</b>	<b>(1,019,955)</b>	<b>(1,880,490)</b>	<b>44</b>	<b>(3,303,731)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Proceeds from general/special obligation bond issues			1,717,192		1,717,192
Proceeds from general/special obligation bond refunding issues		431,511	272,803		704,314
Transfers-in	1,741,150	1,164,696	40,157		2,946,003
Transfers-out	(1,600,029)	(313,861)	(86,213)	(21)	(2,000,124)
Payment to refunded bond escrow agent		(425,565)	(271,519)		(697,084)
Capital lease financing	1,463				1,463
<b>Net other sources (uses) of financial resources</b>	<b>142,584</b>	<b>856,781</b>	<b>1,672,420</b>	<b>(21)</b>	<b>2,671,764</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(260,746)</b>	<b>(163,174)</b>	<b>(208,070)</b>	<b>23</b>	<b>(631,967)</b>
Fund balances (deficits), July 1, 2001, as restated	1,817,744	825,077	363,667	2,908	3,009,396
Increase (decrease) for changes in inventories	2,603				2,603
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 1,559,601</b>	<b>\$ 661,903</b>	<b>\$ 155,597</b>	<b>\$ 2,931</b>	<b>\$ 2,380,032</b>

## **SPECIAL REVENUE FUNDS**

The Special Revenue Funds are maintained to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

### **SIGNIFICANT NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS DESCRIPTIONS**

#### **Secretary of State**

Securities Audit and Enforcement Fund--to provide for the on-site examination of Security Dealers, investment advisors, and issuers.

#### **Treasurer**

Tobacco Settlement Recovery Fund--to account for monies received from the Master Settlement Agreement in State of Illinois vs. Philip Morris and any future payments from tobacco production companies.

#### **Department of Commerce and Community Affairs**

Supplemental Low Income Energy Assistance Fund--to provide assistance to low-income households in paying heating and cooling costs.

Fund for Illinois' Future--to account for grants and expenditures for planning, engineering, acquisition, construction, reconstruction, development, improvement and extension of public infrastructure in the State of Illinois.

Low Income Home Energy Assistance Block Grant Fund--to provide assistance to low-income households in paying heating and cooling costs.

Build Illinois Capital Revolving Loan Fund --to finance intermediary agreements, administration, technical assistance agreements, loans, grants, and investments through the Build Illinois Act.

Public Infrastructure Construction Loan Revolving Fund --to provide loans and grants to local governments to assist in financing the cost of acquisition, construction, reconstruction, replacement, repair, or improvement of public infrastructure.

#### **Department of Human Services**

Vocational Rehabilitation Fund --to account for federal monies or grants from private or public sources for vocational rehabilitation.

DHS Special Purposes Trust Fund --to receive and disburse federal grants, gifts or legacies not elsewhere designated by statute to be deposited and disbursed.

Early Intervention Services Revolving Fund --to provide coordinated, comprehensive, interdisciplinary services to enforce the growth and development of children from birth through 36 months of age who have disabilities and/or developmental delays.

U.S.D.A. Women, Infants and Children Fund --to provide for the administration of the federal special Supplemental Food Program for Women, Infants, and Children.

Community Mental Health Medical Fund --to reimburse community mental health service providers for Medicaid reimbursed mental health services.

Food Stamp and Commodity Fund --to account for food stamps and commodities received from the federal government.

**Department of Public Aid**

Special Education Medicaid Matching Fund --to record monies received from the federal government for educationally related services authorized under Section 1903 of the Social Security Act. Monies in the Fund are to be distributed to school districts by the State Board of Education for Medicaid eligible special education children claims.

Child Support Enforcement Trust Fund --to record child support payments, federal grants, and incentive payments that are related to the Child Support Enforcement Program.

**Department of Revenue**

State Gaming Fund --to receive and record fees obtained from owners' license applications for riverboat gambling operations.

State and Local Sales Tax Reform Fund --to record proceeds from the 1% use tax on food and drugs and 20% of the proceeds from the 6.25% sales tax.

County and Mass Transit District Fund --to record 4% of the proceeds from a 6.25% Retailers' and Service Occupation tax.

Local Government Tax Fund --to account for 15% share of various sales taxes that will be distributed to cities and counties.

Local Government Distributive Fund --a portion of State income tax collections that are distributed to the various municipalities and counties within the State. On a monthly basis, 1/12 of the income tax receipts are transferred to this fund from the General Fund for such distributions.

Personal Property Tax Replacement Fund --the net revenue received from the personal property replacement income tax. Expenditures consist of allocations to each taxing district within the State and administrative costs.

Build Illinois Fund --to receive a percentage of sales, hotel and privilege taxes to be used for monthly allocation to various state agencies for the purpose of promoting tourism related activities.

**Department of Transportation**

Grade Crossing Protection Fund --to pay the State's portion of the cost of installing protection devices at all places where public highways intersect with a railroad.

Federal/Local Airport Fund --to receive and manage federal funds for airport construction.

State Rail Freight Loan Repayment Fund --to receive and record repayments of loans of State funds made by the Illinois Department of Transportation to any railroad, unit of local government, rail user or owner or lessee of railroad right of way to rehabilitate, improve or construct rail facilities.

Public Transportation Fund --to receive and record monthly transfers from the General Revenue Fund representing statutory shares under various sales tax acts. Monies in the Fund are then distributed to the Regional Transportation Authority pursuant to a statutory formula.

Downstate Public Transportation Fund --to provide financial assistance for local governments with public transportation systems.

**Department of Children and Family Services**

Children's Services Fund --to account for revenues and expenditures related to the federal Title IV-E foster care and adoption service program.

**Department of Natural Resources**

Open Space Lands Acquisition and Development Fund --to receive deposits from monies collected under the Real Estate Transfer Tax Act to be transferred, appropriated, and used only for the purposes authorized by the Open Space Lands Acquisition and Development Act.



**Department of Corrections**

Reimbursement Fund --to account for grants received by the Department of Corrections.

**Department of Employment Security**

Title III Social Security and Employment Services Fund --to account for monies received from the federal government for the specific purpose of administering the Unemployment Compensation Act.

**Department of Financial Institutions**

State Pensions Fund --receipts from the sale of abandoned property. Expenditures are primarily to the various State retirement systems for the reduction of the accrued actuarial unfunded liability.

**Environmental Protection Agency**

Hazardous Waste Fund --to receive fees collected from the owner or operator of each hazardous waste disposal site, from responsible parties for hazardous waste cleanups and for penalties assessed by the Pollution Control Board or circuit courts in cases related to hazardous waste cleanups.

Vehicle Inspection Fund --to provide for the testing and inspection of motor vehicles.

**State Board of Education**

Drivers Education Fund --to account for monies used to reimburse school districts for each pupil completing a driver education course that meets the minimum requirements of the Driver Education Act.

Federal Department of Agriculture Fund --to account for the federal share of nutrition programs which provide nutritious meals for children and aging adults.

Federal Department of Education Fund --to receive and disburse federal monies to provide financial assistance for educational programs funded by the U.S. Department of Education.

School Technology Revolving Loan Program Fund --to receive and record all monies obtained from transfers from the School Infrastructure Fund, to be expended for the purpose of making school technology hardware improvements affordable.

**Capital Development Board**

School Infrastructure Fund --to receive and record one-half of monies obtained from a telecommunication tax in accordance with the Telecommunications Excise Tax Act as amended. Monies in the Fund may be expended for the purpose of discharging the principal and interest on bond indebtedness for construction of school improvements, making payments to the School Technology Revolving Loan Fund and grants for school construction projects.

**Criminal Justice Information Authority**

Juvenile Accountability Incentive Block Grant Fund --to account for federal receipts used to provide financial support to State agencies and units of local government and to pay administrative costs associated with the juvenile accountability incentive block grant program.

**Metropolitan Pier and Exposition Authority**

McCormick Place Expansion Project Fund --to receive and record monies obtained from transfers from the Metropolitan Pier and Exposition Authority Trust Fund and the sales tax deposits.

**State Fire Marshal**

Underground Storage Tank Fund --to record underground storage tank registration fees collected by the State Fire Marshal, expended for the purposes of the Leaking Underground Storage Tank program.

**Student Assistance Commission**

Federal Student Loan Fund --to account for the Federal Family Education Loan Program that funds the repayment of guaranteed loans that have gone into default to lenders.

Federal Reserve Recall Fund --to account for the transfer of reserve recall from the Federal Student Loan Fund per the Balanced Budget Act of 1997.

**State of Illinois**

**Combining Balance Sheet  
Non-major Special Revenue Funds**

June 30, 2002 (Expressed in Thousands)

	Other Elected Officials	Commerce and Community Affairs	Human Services	Public Aid	Revenue	Transportation
<b>ASSETS</b>						
Cash and cash equivalents	\$ 96,327	\$ 149,754	\$ 37,630	\$ 46,490	\$ 452,061	\$ 69,487
Investments		56				
Receivables, net:						
Taxes		6,540			175,345	
Intergovernmental		6,151	42,704	59,407		33,034
Other	168	48	4,493	24,390	130	20
Due from other funds	134		5,907	341	106,284	44,377
Due from component units		873	27			
Inventories			1,979			
Loans and notes receivable		31,253				25,824
Other assets		10,175	160	744		
<b>Total assets</b>	<b>\$ 96,629</b>	<b>\$ 204,850</b>	<b>\$ 92,900</b>	<b>\$ 131,372</b>	<b>\$ 733,820</b>	<b>\$ 172,742</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 21,213	\$ 7,732	\$ 43,103	\$ 10,399	\$ 20,254	\$ 11,180
Intergovernmental payables	3,609	634	4,098	53,768	607,657	73,741
Due to other funds	41	76	1,581	11,928	63,207	12,032
Due to component units	1,540	359	275			
Deferred revenues			19,990	54,170	12,836	13,766
Matured portion of long-term liabilities						
<b>Total liabilities</b>	<b>26,403</b>	<b>8,801</b>	<b>69,047</b>	<b>130,265</b>	<b>703,954</b>	<b>110,719</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	4,573	15,277	52	155	380	73,528
Long-term portion of:						
Other receivables						
Loans and notes receivable		28,994				24,359
Other assets		10,175				
Inventories			1,979			
Unreserved	65,653	141,603	21,822	952	29,486	(35,864)
<b>Total fund balances</b>	<b>70,226</b>	<b>196,049</b>	<b>23,853</b>	<b>1,107</b>	<b>29,866</b>	<b>62,023</b>
<b>Total liabilities and fund balances</b>	<b>\$ 96,629</b>	<b>\$ 204,850</b>	<b>\$ 92,900</b>	<b>\$ 131,372</b>	<b>\$ 733,820</b>	<b>\$ 172,742</b>

Other Departments	Environmental Protection Agency	State Board of Education	Other Agencies, Boards and Authorities	Student Assistance Commission	Other	Total
\$ 270,654	\$ 48,691	\$ 43,796	\$ 122,488	\$ 69,584	\$ 759,990 2,964	\$ 2,166,952 3,020
			11,089		16,274	209,248
66,618		136,016		24,968	96,381	465,279
	2,795	143	40	134	52,296	84,657
12,406	6,250	2,335		24,109	59,808	261,951
46		54			2,721	3,721
2,021		2,525			11,210	17,735
		32,211			9,981	99,269
	40				1,864	12,983
\$ 351,745	\$ 57,776	\$ 217,080	\$ 133,617	\$ 118,795	\$ 1,013,489	\$ 3,324,815
\$ 66,776	\$ 4,947	\$ 993	\$ 7,403	\$ 7,216	\$ 107,052	\$ 308,268
487	268	149,507	1,035	101,059	65,859	1,061,722
5,825	5,989	865	128	9,067	52,840	163,579
4,084	6	104			9,058	15,426
5,159	2,137	12,839	14,665	1,453	72,460	209,475
		6,603			141	6,744
82,331	13,347	170,911	23,231	118,795	307,410	1,765,214
57,964	341	152	800		59,497	212,719
					3,113	3,113
		29,974			8,614	91,941
	40				5,086	15,301
2,021		2,525			11,210	17,735
209,429	44,048	13,518	109,586		618,559	1,218,792
269,414	44,429	46,169	110,386		706,079	1,559,601
\$ 351,745	\$ 57,776	\$ 217,080	\$ 133,617	\$ 118,795	\$ 1,013,489	\$ 3,324,815

**State of Illinois**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances**

**Non-major Special Revenue Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Other Elected Officials	Commerce and Community Affairs	Human Services	Public Aid	Revenue	Transportation
<b>REVENUES</b>						
Income taxes					\$ 727,166	
Sales taxes					2,210,354	
Motor fuel taxes						
Public utility taxes		\$ 78,688			207,655	
Other taxes					650,983	
Federal government		107,480	\$ 1,382,437	\$ 257,981		\$ 148,344
Licenses and fees	\$ 6,553		1,050	85	1,133	
Interest and other investment income	1,526	22,238	378		1,763	1,069
Other	312,276	1,815	3,970	30,800		10,889
<b>Total revenues</b>	<b>320,355</b>	<b>210,221</b>	<b>1,387,835</b>	<b>288,866</b>	<b>3,799,054</b>	<b>160,302</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	192,580	181,961	1,459,453	336,883		
Education	10,856	1,940				
General government	10,490	279			3,689,620	
Employment and economic development	6,636	100,234			30,323	
Transportation		1,841				449,838
Public protection and justice		590				
Environment and business regulations	1,164	4,993				
Debt service:						
Principal	1		48			
Interest	1		5			
Capital outlays	6,667	266	71	353	54	
<b>Total expenditures</b>	<b>228,395</b>	<b>292,104</b>	<b>1,459,577</b>	<b>337,236</b>	<b>3,719,997</b>	<b>449,838</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>91,960</b>	<b>(81,883)</b>	<b>(71,742)</b>	<b>(48,370)</b>	<b>79,057</b>	<b>(289,536)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in			81,960	45,000	958,201	278,720
Transfers-out	(273,800)	(8)	(71)		(1,062,568)	(14,418)
Capital lease financing	4					
<b>Net other sources (uses) of financial resources</b>	<b>(273,796)</b>	<b>(8)</b>	<b>81,889</b>	<b>45,000</b>	<b>(104,367)</b>	<b>264,302</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(181,836)</b>	<b>(81,891)</b>	<b>10,147</b>	<b>(3,370)</b>	<b>(25,310)</b>	<b>(25,234)</b>
Fund balances, July 1, 2001, as restated	252,062	277,940	15,554	4,477	55,176	87,257
Increase (decrease) for changes in inventories			(1,848)			
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 70,226</b>	<b>\$ 196,049</b>	<b>\$ 23,853</b>	<b>\$ 1,107</b>	<b>\$ 29,866</b>	<b>\$ 62,023</b>

Other Departments	Environmental Protection Agency	State Board of Education	Other Agencies, Boards and Authorities	Student Assistance Commission	Other	Total
			\$ 83,774		\$ 17,484	\$ 727,166
			69,202			2,311,612
			107,588		60,889	69,202
\$ 21,137					70,727	454,820
819,681	\$ 28,786	\$ 1,297,980	6,648	\$ 131,065	768,123	742,847
178	1,574	11,410	141		352,415	4,948,525
		1,814	651	672	7,061	374,539
98,773	4,233	7,842	12		240,760	37,172
939,769	34,593	1,319,046	268,016	131,737	1,517,459	711,370
						10,377,253
423,289					546,334	3,140,500
66,900		1,319,994	6,385	131,737	69,016	1,606,828
19,060	2,541	1	1,913		198,860	3,922,764
335,023			83,774		248,934	804,924
					47,446	499,125
42,836			9,875		217,495	270,796
15,217	73,427		58,257		336,675	489,733
2,202	7		6		1,396	3,660
261	2		2		117	388
5,207	158	69	138		28,882	41,865
909,995	76,135	1,320,064	160,350	131,737	1,695,155	10,780,583
29,774	(41,542)	(1,018)	107,666	-- --	(177,696)	(403,330)
10,010	40,985			14,584	311,690	1,741,150
(5,075)	(258)	(242)	(111,344)	(14,584)	(117,661)	(1,600,029)
44	27		10		1,378	1,463
4,979	40,754	(242)	(111,334)	-- --	195,407	142,584
34,753	(788)	(1,260)	(3,668)	-- --	17,711	(260,746)
234,627	45,217	47,123	114,054		684,257	1,817,744
34		306			4,111	2,603
\$ 269,414	\$ 44,429	\$ 46,169	\$ 110,386	\$ -- --	\$ 706,079	\$ 1,559,601

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds****Other Elected Officials Funds**

June 30, 2002 (Expressed in Thousands)

	Secretary of State Securities Audit and Enforcement Fund	Treasurer Tobacco Settlement Recovery Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 26,707	\$ 69,620	\$ 96,327
Other receivables, net	52	116	168
Due from other funds	134		134
<b>Total assets</b>	<b>\$ 26,893</b>	<b>\$ 69,736</b>	<b>\$ 96,629</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 181	\$ 21,032	\$ 21,213
Intergovernmental payables	9	3,600	3,609
Due to other funds	41		41
Due to component units		1,540	1,540
<b>Total liabilities</b>	<b>231</b>	<b>26,172</b>	<b>26,403</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	3	4,570	4,573
Unreserved	26,659	38,994	65,653
<b>Total fund balances</b>	<b>26,662</b>	<b>43,564</b>	<b>70,226</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,893</b>	<b>\$ 69,736</b>	<b>\$ 96,629</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Other Elected Officials Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Secretary of State	Treasurer	
	Securities Audit and Enforcement Fund	Tobacco Settlement Recovery Fund	Total
<b>REVENUES</b>			
Licenses and fees	\$ 6,553		\$ 6,553
Interest and other investment income	767	\$ 759	1,526
Other		312,276	312,276
<b>Total revenues</b>	<b>7,320</b>	<b>313,035</b>	<b>320,355</b>
<b>EXPENDITURES</b>			
Current:			
Health and social services		192,580	192,580
Education		10,856	10,856
General government	4,698	5,792	10,490
Employment and economic development		6,636	6,636
Environment and business regulations		1,164	1,164
Debt service:			
Principal	1		1
Interest	1		1
Capital outlays	99	6,568	6,667
<b>Total expenditures</b>	<b>4,799</b>	<b>223,596</b>	<b>228,395</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,521</b>	<b>89,439</b>	<b>91,960</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Transfers-out		(273,800)	(273,800)
Capital lease financing	4		4
<b>Net other sources (uses) of financial resources</b>	<b>4</b>	<b>(273,800)</b>	<b>(273,796)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>2,525</b>	<b>(184,361)</b>	<b>(181,836)</b>
Fund balances, July 1, 2001	24,137	227,925	252,062
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 26,662</b>	<b>\$ 43,564</b>	<b>\$ 70,226</b>

**State of Illinois**

**Combining Balance Sheet - Non-major Special Revenue Funds**

**Commerce and Community Affairs**

June 30, 2002 (Expressed in Thousands)

	Supplemental Low Income Energy Assistance Fund	Fund For Illinois' Future	Low Income Home Energy Assistance Block Grant Fund	Build Illinois Capital Revolving Loan Fund	Public Infrastructure Construction Loan Revolving Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 17,923	\$ 106,236	\$ 14	\$ 22,982	\$ 2,599	\$ 149,754
Investments				56		56
Receivables, net:						
Taxes	6,540					6,540
Intergovernmental			6,151			6,151
Other				43	5	48
Due from component units		873				873
Loans and notes receivable				11,431	19,822	31,253
Other assets				10,175		10,175
<b>Total assets</b>	<b>\$ 24,463</b>	<b>\$ 107,109</b>	<b>\$ 6,165</b>	<b>\$ 44,687</b>	<b>\$ 22,426</b>	<b>\$ 204,850</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 1,535		\$ 5,737	\$ 460		\$ 7,732
Intergovernmental payables	94	\$ 22	403	2	\$ 113	634
Due to other funds	36		25	11	4	76
Due to component units	130	222		7		359
<b>Total liabilities</b>	<b>1,795</b>	<b>244</b>	<b>6,165</b>	<b>480</b>	<b>117</b>	<b>8,801</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	51	14,775	432	1	18	15,277
Long-term portion of:						
Loans and notes receivable				10,018	18,976	28,994
Other assets				10,175		10,175
Unreserved	22,617	92,090	(432)	24,013	3,315	141,603
<b>Total fund balances</b>	<b>22,668</b>	<b>106,865</b>	<b>-- --</b>	<b>44,207</b>	<b>22,309</b>	<b>196,049</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,463</b>	<b>\$ 107,109</b>	<b>\$ 6,165</b>	<b>\$ 44,687</b>	<b>\$ 22,426</b>	<b>\$ 204,850</b>



**State of Illinois**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Commerce and Community Affairs**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Supplemental Low Income Energy Assistance Fund	Fund For Illinois' Future	Low Income Home Energy Assistance Block Grant Fund	Build Illinois Capital Revolving Loan Fund	Public Infrastructure Construction Loan Revolving Fund	Total
<b>REVENUES</b>						
Public utility taxes	\$ 78,688					\$ 78,688
Federal government			\$ 107,480			107,480
Interest and other investment income				\$ 11,939	\$ 10,299	22,238
Other				1,077	738	1,815
<b>Total revenues</b>	<b>78,688</b>		<b>107,480</b>	<b>13,016</b>	<b>11,037</b>	<b>210,221</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	74,477	\$ 19	107,465			181,961
Education		1,940				1,940
General government		279				279
Employment and economic development		93,846		6,388		100,234
Transportation		1,841				1,841
Public protection and justice		590				590
Environment and business regulations		4,993				4,993
Capital outlays	10	238	7	11		266
<b>Total expenditures</b>	<b>74,487</b>	<b>103,746</b>	<b>107,472</b>	<b>6,399</b>		<b>292,104</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,201</b>	<b>(103,746)</b>	<b>8</b>	<b>6,617</b>	<b>11,037</b>	<b>(81,883)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-out				(8)		(8)
<b>Net other sources (uses) of financial resources</b>				<b>(8)</b>		<b>(8)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>4,201</b>	<b>(103,746)</b>	<b>-- --</b>	<b>6,617</b>	<b>11,037</b>	<b>(81,891)</b>
Fund balances, July 1, 2001	18,467	210,611		37,590	11,272	277,940
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 22,668</b>	<b>\$ 106,865</b>	<b>\$ -- --</b>	<b>\$ 44,207</b>	<b>\$ 22,309</b>	<b>\$ 196,049</b>

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds****Human Services**

June 30, 2002 (Expressed in Thousands)

	Vocational Rehabilitation Fund	DHS Special Purposes Trust Fund	Early Intervention Services Revolving Fund	USDA Women, Infants and Children Fund	Community Mental Health Medical Fund	Food Stamp and Commodity Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,354	\$ 11,625	\$ 13,541	\$ 10,110		
Receivables, net:						
Intergovernmental	20,667	7,077	1,464		\$ 13,496	
Other	72	2	172	4,247		
Due from other funds	3,400	532	1,957	18		
Due from component units	5	9	13			
Inventories	202			1,774		\$ 3
Other assets						160
<b>Total assets</b>	<b>\$ 26,700</b>	<b>\$ 19,245</b>	<b>\$ 17,147</b>	<b>\$ 16,149</b>	<b>\$ 13,496</b>	<b>\$ 163</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 6,988	\$ 5,283	\$ 9,536	\$ 8,568	\$ 12,728	
Intergovernmental payables	119	27		3,299	653	
Due to other funds	1,000	471	17	93		
Due to component units	79		81		115	
Deferred revenues	2,307	14,732	376	2,415		\$ 160
<b>Total liabilities</b>	<b>10,493</b>	<b>20,513</b>	<b>10,010</b>	<b>14,375</b>	<b>13,496</b>	<b>160</b>
<b>FUND BALANCES (DEFICITS)</b>						
Reserved for:						
Encumbrances	52					
Inventories	202			1,774		3
Unreserved	15,953	(1,268)	7,137			
<b>Total fund balances (deficits)</b>	<b>16,207</b>	<b>(1,268)</b>	<b>7,137</b>	<b>1,774</b>		<b>3</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,700</b>	<b>\$ 19,245</b>	<b>\$ 17,147</b>	<b>\$ 16,149</b>	<b>\$ 13,496</b>	<b>\$ 163</b>

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**Total**

\$	37,630
	42,704
	4,493
	5,907
	27
	1,979
	160
\$	92,900

\$	43,103
	4,098
	1,581
	275
	19,990
	69,047

	52
	1,979
	21,822
	23,853
\$	92,900

*State of Illinois*

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Human Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Vocational Rehabilitation Fund	DHS Special Purposes Trust Fund	Early Intervention Services Revolving Fund	USDA Women, Infants and Children Fund	Community Mental Health Medical Fund	Food Stamp and Commodity Fund
<b>REVENUES</b>						
Federal government	\$ 112,573	\$ 170,232	\$ 14,847	\$ 161,358	\$ 13,496	\$ 909,931
Licenses and fees			1,050			
Interest and other investment income			309	69		
Other	3,966	1		3		
<b>Total revenues</b>	<b>116,539</b>	<b>170,233</b>	<b>16,206</b>	<b>161,430</b>	<b>13,496</b>	<b>909,931</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	111,635	172,511	90,491	161,389	13,496	909,931
Debt service:						
Principal	48					
Interest	5					
Capital outlays	30			41		
<b>Total expenditures</b>	<b>111,718</b>	<b>172,511</b>	<b>90,491</b>	<b>161,430</b>	<b>13,496</b>	<b>909,931</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>4,821</b>	<b>(2,278)</b>	<b>(74,285)</b>	<b>-- --</b>	<b>-- --</b>	<b>-- --</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in		1,081	80,879			
Transfers-out		(71)				
<b>Net other sources (uses) of financial resources</b>		<b>1,010</b>	<b>80,879</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>4,821</b>	<b>(1,268)</b>	<b>6,594</b>	<b>-- --</b>	<b>-- --</b>	<b>-- --</b>
Fund balances, July 1, 2001	11,472		543	3,309		230
Increase (decrease) for changes in inventories	(86)			(1,535)		(227)
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 16,207</b>	<b>\$ (1,268)</b>	<b>\$ 7,137</b>	<b>\$ 1,774</b>	<b>\$ -- --</b>	<b>\$ 3</b>

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**Total**

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\$ 1,382,437  
1,050  
378  

---

3,970  

---

1,387,835

1,459,453

48  
5  

---

71  

---

1,459,577  

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(71,742)

81,960  

---

(71)

81,889

10,147

15,554  

---

(1,848)

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\$ 23,853

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds****Public Aid**

June 30, 2002 (Expressed in Thousands)

	Special Education Medicaid Matching Fund	Child Support Enforcement Trust Fund- Administrative	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16	\$ 46,474	\$ 46,490
Receivables, net:			
Intergovernmental	48,410	10,997	59,407
Other		24,390	24,390
Due from other funds		341	341
Other assets		744	744
<b>Total assets</b>	<b>\$ 48,426</b>	<b>\$ 82,946</b>	<b>\$ 131,372</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 10,399	\$ 10,399
Intergovernmental payables	\$ 48,426	5,342	53,768
Due to other funds		11,928	11,928
Deferred revenues	33,132	21,038	54,170
<b>Total liabilities</b>	<b>81,558</b>	<b>48,707</b>	<b>130,265</b>
<b>FUND BALANCES (DEFICITS)</b>			
Reserved for:			
Encumbrances	155		155
Unreserved	(33,287)	34,239	952
<b>Total fund balances (deficits)</b>	<b>(33,132)</b>	<b>34,239</b>	<b>1,107</b>
<b>Total liabilities and fund balances</b>	<b>\$ 48,426</b>	<b>\$ 82,946</b>	<b>\$ 131,372</b>

*State of Illinois***Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds****Public Aid**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Special Education Medicaid Matching Fund	Child Support Enforcement Trust Fund- Administrative	Total
<b>REVENUES</b>			
Federal government	\$ 140,301	\$ 117,680	\$ 257,981
Licenses and fees		85	85
Other		30,800	30,800
<b>Total revenues</b>	<b>140,301</b>	<b>148,565</b>	<b>288,866</b>
<b>EXPENDITURES</b>			
Current:			
Health and social services	173,433	163,450	336,883
Capital outlays		353	353
<b>Total expenditures</b>	<b>173,433</b>	<b>163,803</b>	<b>337,236</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(33,132)</b>	<b>(15,238)</b>	<b>(48,370)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Transfers-in		45,000	45,000
<b>Net other sources (uses) of financial resources</b>		<b>45,000</b>	<b>45,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(33,132)</b>	<b>29,762</b>	<b>(3,370)</b>
Fund balances, July 1, 2001		4,477	4,477
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (33,132)</b>	<b>\$ 34,239</b>	<b>\$ 1,107</b>

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds  
Revenue**

June 30, 2002 (Expressed in Thousands)

	State Gaming Fund	State and Local Sales Tax Reform Fund	County and Mass Transit District Fund	Local Government Tax Fund	Local Government Distributive Fund	Personal Property Tax Replacement Fund
<b>ASSETS</b>						
Cash and cash equivalents	\$ 19,046	\$ 39,984	\$ 41,002	\$ 222,491	\$ 3,141	\$ 122,013
Receivables, net:						
Taxes	7,190	4,108	17,269	77,775		38,591
Other	10					94
Due from other funds	277				96,557	
<b>Total assets</b>	<b>\$ 26,523</b>	<b>\$ 44,092</b>	<b>\$ 58,271</b>	<b>\$ 300,266</b>	<b>\$ 99,698</b>	<b>\$ 160,698</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 1,166					\$ 8,850
Intergovernmental payables	12,346	\$ 8,640	\$ 35,699	\$ 300,266	\$ 99,073	151,633
Due to other funds	5,236	34,559	22,572		625	215
Deferred revenues		893	394	3,525		6,732
<b>Total liabilities</b>	<b>18,748</b>	<b>44,092</b>	<b>58,665</b>	<b>303,791</b>	<b>99,698</b>	<b>167,430</b>
<b>FUND BALANCES (DEFICITS)</b>						
Reserved for:						
Encumbrances	299				81	
Unreserved	7,476		(394)	(3,525)	(81)	(6,732)
<b>Total fund balances (deficits)</b>	<b>7,775</b>		<b>(394)</b>	<b>(3,525)</b>	<b>-- --</b>	<b>(6,732)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,523</b>	<b>\$ 44,092</b>	<b>\$ 58,271</b>	<b>\$ 300,266</b>	<b>\$ 99,698</b>	<b>\$ 160,698</b>



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Build Illinois			
Fund		Total	
\$ 4,384		\$ 452,061	
30,412		175,345	
26		130	
9,450		106,284	
\$ 44,272		\$ 733,820	
\$ 10,238		\$ 20,254	
		607,657	
		63,207	
1,292		12,836	
11,530		703,954	
		380	
32,742		29,486	
32,742		29,866	
\$ 44,272		\$ 733,820	

**State of Illinois**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Revenue**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	State Gaming Fund	State and Local Sales Tax Reform Fund	County and Mass Transit District Fund	Local Government Tax Fund	Local Government Distributive Fund	Personal Property Tax Replacement Fund
<b>REVENUES</b>						
Income taxes						\$ 727,166
Sales taxes		\$ 187,730	\$ 285,913	\$ 1,357,283	\$ 24,628	
Public utility taxes						207,655
Other taxes	\$ 571,370					
Licenses and fees	1,133					
Interest and other investment income						1,268
<b>Total revenues</b>	<b>572,503</b>	<b>187,730</b>	<b>285,913</b>	<b>1,357,283</b>	<b>24,628</b>	<b>936,089</b>
<b>EXPENDITURES</b>						
Current:						
General government	123,054	38,906	286,307	1,360,808	937,889	942,656
Employment and economic development						
Capital outlays	20					34
<b>Total expenditures</b>	<b>123,074</b>	<b>38,906</b>	<b>286,307</b>	<b>1,360,808</b>	<b>937,889</b>	<b>942,690</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>449,429</b>	<b>148,824</b>	<b>(394)</b>	<b>(3,525)</b>	<b>(913,261)</b>	<b>(6,601)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in					918,735	
Transfers-out	(459,871)	(148,824)			(5,474)	(131)
<b>Net other sources (uses) of financial resources</b>	<b>(459,871)</b>	<b>(148,824)</b>			<b>913,261</b>	<b>(131)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(10,442)</b>	<b>-- --</b>	<b>(394)</b>	<b>(3,525)</b>	<b>-- --</b>	<b>(6,732)</b>
Fund balances, July 1, 2001	18,217					
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 7,775</b>	<b>\$ -- --</b>	<b>\$ (394)</b>	<b>\$ (3,525)</b>	<b>\$ -- --</b>	<b>\$ (6,732)</b>

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Build Illinois		
Fund	Total	
	\$	727,166
\$ 354,800	2,210,354	
	207,655	
79,613	650,983	
	1,133	
495	1,763	
434,908	3,799,054	
	3,689,620	
30,323	30,323	
	54	
30,323	3,719,997	
404,585	79,057	
39,466	958,201	
(448,268)	(1,062,568)	
(408,802)	(104,367)	
(4,217)	(25,310)	
36,959	55,176	
\$ 32,742	\$ 29,866	

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds****Transportation**

June 30, 2002 (Expressed in Thousands)

	Grade Crossing Protection Fund	Federal/Local Airport Fund	State Rail Freight Loan Repayment Fund	Public Transportation Fund	Downstate Public Transportation Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 29,854	\$ 3,192	\$ 10,647		\$ 25,794	\$ 69,487
Receivables, net:						
Intergovernmental		33,034				33,034
Other			20			20
Due from other funds	2,250	379		\$ 41,748		44,377
Loans and notes receivable			25,824			25,824
<b>Total assets</b>	<b>\$ 32,104</b>	<b>\$ 36,605</b>	<b>\$ 36,491</b>	<b>\$ 41,748</b>	<b>\$ 25,794</b>	<b>\$ 172,742</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 2,509	\$ 8,601	\$ 70			\$ 11,180
Intergovernmental payables	6,416	24,553		\$ 41,748	\$ 1,024	73,741
Due to other funds					12,032	12,032
Deferred revenues		13,766				13,766
<b>Total liabilities</b>	<b>8,925</b>	<b>46,920</b>	<b>70</b>	<b>41,748</b>	<b>13,056</b>	<b>110,719</b>
<b>FUND BALANCES (DEFICITS)</b>						
Reserved for:						
Encumbrances	36,297	35,682	1,549			73,528
Long-term portion of:						
Loans and notes receivable			24,359			24,359
Unreserved	(13,118)	(45,997)	10,513		12,738	(35,864)
<b>Total fund balances (deficits)</b>	<b>23,179</b>	<b>(10,315)</b>	<b>36,421</b>		<b>12,738</b>	<b>62,023</b>
<b>Total liabilities and fund balances</b>	<b>\$ 32,104</b>	<b>\$ 36,605</b>	<b>\$ 36,491</b>	<b>\$ 41,748</b>	<b>\$ 25,794</b>	<b>\$ 172,742</b>

*State of Illinois*

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Transportation**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Grade Crossing Protection Fund	Federal/Local Airport Fund	State Rail Freight Loan Repayment Fund	Public Transportation Fund	Downstate Public Transportation Fund	Total
<b>REVENUES</b>						
Federal government		\$ 148,344				\$ 148,344
Interest and other investment income			\$ 1,069			1,069
Other	\$ 1	10,888				10,889
<b>Total revenues</b>	<b>1</b>	<b>159,232</b>	<b>1,069</b>			<b>160,302</b>
<b>EXPENDITURES</b>						
Current:						
Transportation	37,301	168,867	845	\$ 208,901	\$ 33,924	449,838
<b>Total expenditures</b>	<b>37,301</b>	<b>168,867</b>	<b>845</b>	<b>208,901</b>	<b>33,924</b>	<b>449,838</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(37,300)</b>	<b>(9,635)</b>	<b>224</b>	<b>(208,901)</b>	<b>(33,924)</b>	<b>(289,536)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in	27,000	784	695	208,901	41,340	278,720
Transfers-out	(2,250)	(136)			(12,032)	(14,418)
<b>Net other sources (uses) of financial resources</b>	<b>24,750</b>	<b>648</b>	<b>695</b>	<b>208,901</b>	<b>29,308</b>	<b>264,302</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(12,550)</b>	<b>(8,987)</b>	<b>919</b>	<b>-- --</b>	<b>(4,616)</b>	<b>(25,234)</b>
Fund balances (deficits), July 1, 2001	35,729	(1,328)	35,502		17,354	87,257
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 23,179</b>	<b>\$ (10,315)</b>	<b>\$ 36,421</b>	<b>\$ -- --</b>	<b>\$ 12,738</b>	<b>\$ 62,023</b>

**State of Illinois**

**Combining Balance Sheet - Non-major Special Revenue Funds**

**Other Departments Funds**

June 30, 2002 (Expressed in Thousands)

	Children and Family Services	Natural Resources Open Space Lands Acquisition and Development Fund	Corrections Department of Corrections Reimbursement Fund	Employment Security Title III Social Security and Employment Service Fund	Financial Institutions State Pensions Fund	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 90,115	\$ 61,559	\$ 36,369	\$ 29,555	\$ 53,056	\$ 270,654
Intergovernmental receivables, net	51,149		645	14,824		66,618
Due from other funds	206		2,198	10,002		12,406
Due from component units	43		3			46
Inventories				2,021		2,021
<b>Total assets</b>	<b>\$ 141,513</b>	<b>\$ 61,559</b>	<b>\$ 39,215</b>	<b>\$ 56,402</b>	<b>\$ 53,056</b>	<b>\$ 351,745</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 53,581	\$ 48	\$ 2,709	\$ 10,073	\$ 365	\$ 66,776
Intergovernmental payables	186	1		298	2	487
Due to other funds	1,376	14	223	4,190	22	5,825
Due to component units	3,622		8	454		4,084
Deferred revenues	3,369		1,746	44		5,159
<b>Total liabilities</b>	<b>62,134</b>	<b>63</b>	<b>4,686</b>	<b>15,059</b>	<b>389</b>	<b>82,331</b>
<b>FUND BALANCES</b>						
Reserved for:						
Encumbrances	1,268	55,888	808			57,964
Inventories				2,021		2,021
Unreserved	78,111	5,608	33,721	39,322	52,667	209,429
<b>Total fund balances</b>	<b>79,379</b>	<b>61,496</b>	<b>34,529</b>	<b>41,343</b>	<b>52,667</b>	<b>269,414</b>
<b>Total liabilities and fund balances</b>	<b>\$ 141,513</b>	<b>\$ 61,559</b>	<b>\$ 39,215</b>	<b>\$ 56,402</b>	<b>\$ 53,056</b>	<b>\$ 351,745</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Other Departments Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Children and Family Services	Natural Resources Open Space Lands Acquisition and Development Fund	Corrections Department of Corrections Reimbursement Fund	Employment Security Title III Social Security and Employment Service Fund	Financial Institutions State Pensions Fund	Total
<b>REVENUES</b>						
Other taxes		\$ 21,137				\$ 21,137
Federal government	\$ 433,171		\$ 42,750	\$ 343,760		819,681
Licenses and fees				178		178
Other	1,390		13,042	1,366	\$ 82,975	98,773
<b>Total revenues</b>	<b>434,561</b>	<b>21,137</b>	<b>55,792</b>	<b>345,304</b>	<b>82,975</b>	<b>939,769</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	423,289					423,289
Education					66,900	66,900
General government	1,316				17,744	19,060
Employment and economic development				335,023		335,023
Public protection and justice			40,536		2,300	42,836
Environment and business regulations		13,627			1,590	15,217
Debt service:						
Principal			2,156		46	2,202
Interest			255		6	261
Capital outlays	73		3,391	1,690	53	5,207
<b>Total expenditures</b>	<b>424,678</b>	<b>13,627</b>	<b>46,338</b>	<b>336,713</b>	<b>88,639</b>	<b>909,995</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>9,883</b>	<b>7,510</b>	<b>9,454</b>	<b>8,591</b>	<b>(5,664)</b>	<b>29,774</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Transfers-in				10,010		10,010
Transfers-out	(5,075)					(5,075)
Capital lease financing					44	44
<b>Net other sources (uses) of financial resources</b>	<b>(5,075)</b>			<b>10,010</b>	<b>44</b>	<b>4,979</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>4,808</b>	<b>7,510</b>	<b>9,454</b>	<b>18,601</b>	<b>(5,620)</b>	<b>34,753</b>
Fund balances, July 1, 2001	74,571	53,986	25,075	22,708	58,287	234,627
Increase (decrease) for changes in inventories				34		34
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 79,379</b>	<b>\$ 61,496</b>	<b>\$ 34,529</b>	<b>\$ 41,343</b>	<b>\$ 52,667</b>	<b>\$ 269,414</b>

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds****Environmental Protection Agency**

June 30, 2002 (Expressed in Thousands)

	<b>Hazardous Waste Fund</b>	<b>Vehicle Inspection Fund</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,685	\$ 25,006	\$ 48,691
Other receivables, net	2,795		2,795
Due from other funds	102	6,148	6,250
Other assets		40	40
<b>Total assets</b>	<b>\$ 26,582</b>	<b>\$ 31,194</b>	<b>\$ 57,776</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 1,333	\$ 3,614	\$ 4,947
Intergovernmental payables	264	4	268
Due to other funds	5,943	46	5,989
Due to component units		6	6
Deferred revenues	2,137		2,137
<b>Total liabilities</b>	<b>9,677</b>	<b>3,670</b>	<b>13,347</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	324	17	341
Long-term portion of:			
Other assets		40	40
Unreserved	16,581	27,467	44,048
<b>Total fund balances</b>	<b>16,905</b>	<b>27,524</b>	<b>44,429</b>
<b>Total liabilities and fund balances</b>	<b>\$ 26,582</b>	<b>\$ 31,194</b>	<b>\$ 57,776</b>



*State of Illinois***Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds****Environmental Protection Agency**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Hazardous Waste Fund	Vehicle Inspection Fund	Total
<b>REVENUES</b>			
Federal government		\$ 28,786	\$ 28,786
Licenses and fees	\$ 1,312	262	1,574
Other	4,232	1	4,233
<b>Total revenues</b>	<b>5,544</b>	<b>29,049</b>	<b>34,593</b>
<b>EXPENDITURES</b>			
Current:			
General government	47	2,494	2,541
Environment and business regulations	17,588	55,839	73,427
Debt service:			
Principal		7	7
Interest		2	2
Capital outlays		158	158
<b>Total expenditures</b>	<b>17,635</b>	<b>58,500</b>	<b>76,135</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,091)</b>	<b>(29,451)</b>	<b>(41,542)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Transfers-in	10,985	30,000	40,985
Transfers-out	(59)	(199)	(258)
Capital lease financing		27	27
<b>Net other sources (uses) of financial resources</b>	<b>10,926</b>	<b>29,828</b>	<b>40,754</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(1,165)</b>	<b>377</b>	<b>(788)</b>
Fund balances, July 1, 2001	18,070	27,147	45,217
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 16,905</b>	<b>\$ 27,524</b>	<b>\$ 44,429</b>

State of Illinois

Combining Balance Sheet - Non-major Special Revenue Funds

State Board of Education

June 30, 2002 (Expressed in Thousands)

	Drivers Education Fund	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	School Technology Revolving Loan Program Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,271	\$ 3,330	\$ 545	\$ 33,650	\$ 43,796
Receivables, net:					
Intergovernmental	302	55,774	79,940		136,016
Other		81		62	143
Due from other funds	1,827	41	467		2,335
Due from component units			54		54
Inventories		2,525			2,525
Loans and notes receivable				32,211	32,211
<b>Total assets</b>	<b>\$ 8,400</b>	<b>\$ 61,751</b>	<b>\$ 81,006</b>	<b>\$ 65,923</b>	<b>\$ 217,080</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 7	\$ 320	\$ 666		\$ 993
Intergovernmental payables	15,750	60,796	72,961		149,507
Due to other funds	7	555	303		865
Due to component units			104		104
Deferred revenues		646	12,193		12,839
Matured portion of long-term liabilities			6,603		6,603
<b>Total liabilities</b>	<b>15,764</b>	<b>62,317</b>	<b>92,830</b>		<b>170,911</b>
<b>FUND BALANCES (DEFICITS)</b>					
Reserved for:					
Encumbrances	3	3	146		152
Long-term portion of:					
Loans and notes receivable				\$ 29,974	29,974
Inventories		2,525			2,525
Unreserved	(7,367)	(3,094)	(11,970)	35,949	13,518
<b>Total fund balances (deficits)</b>	<b>(7,364)</b>	<b>(566)</b>	<b>(11,824)</b>	<b>65,923</b>	<b>46,169</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,400</b>	<b>\$ 61,751</b>	<b>\$ 81,006</b>	<b>\$ 65,923</b>	<b>\$ 217,080</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds**

**State Board of Education**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Drivers Education Fund	SBE Federal Department of Agriculture Fund	SBE Federal Department of Education Fund	School Technology Revolving Loan Program Fund	Total
<b>REVENUES</b>					
Federal government		\$ 409,547	\$ 888,433		\$ 1,297,980
Licenses and fees	\$ 11,410				11,410
Interest and other investment income				\$ 1,814	1,814
Other	6,898	81	9	854	7,842
<b>Total revenues</b>	<b>18,308</b>	<b>409,628</b>	<b>888,442</b>	<b>2,668</b>	<b>1,319,046</b>
<b>EXPENDITURES</b>					
Current:					
Education	16,413	410,256	893,325		1,319,994
General government	1				1
Capital outlays	1	30	38		69
<b>Total expenditures</b>	<b>16,415</b>	<b>410,286</b>	<b>893,363</b>		<b>1,320,064</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,893</b>	<b>(658)</b>	<b>(4,921)</b>	<b>2,668</b>	<b>(1,018)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-out		(214)	(28)		(242)
<b>Net other sources (uses) of financial resources</b>		<b>(214)</b>	<b>(28)</b>		<b>(242)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>1,893</b>	<b>(872)</b>	<b>(4,949)</b>	<b>2,668</b>	<b>(1,260)</b>
Fund balances (deficits), July 1, 2001	(9,257)		(6,875)	63,255	47,123
Increase (decrease) for changes in inventories		306			306
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (7,364)</b>	<b>\$ (566)</b>	<b>\$ (11,824)</b>	<b>\$ 65,923</b>	<b>\$ 46,169</b>

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds****Other Agencies, Boards and Authorities Funds**

June 30, 2002 (Expressed in Thousands)

	Capital Development Board	Criminal Justice Information Authority	Metropolitan Pier and Exposition Authority	Office of the State Fire Marshal	
	School Infrastructure Fund	Juvenile Accountability Incentive Block Grant Fund	McCormick Place Expansion Project Fund	Underground Storage Tank Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 44,788	\$ 12,703		\$ 64,997	\$ 122,488
Receivables, net:					
Taxes	1,837			9,252	11,089
Other		26		14	40
<b>Total assets</b>	<b>\$ 46,625</b>	<b>\$ 12,729</b>	<b>\$ -- --</b>	<b>\$ 74,263</b>	<b>\$ 133,617</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 6,588	\$ 4		\$ 811	\$ 7,403
Intergovernmental payables		1,032		3	1,035
Due to other funds	25	92		11	128
Deferred revenues	157	11,438		3,070	14,665
<b>Total liabilities</b>	<b>6,770</b>	<b>12,566</b>		<b>3,895</b>	<b>23,231</b>
<b>FUND BALANCES</b>					
Reserved for:					
Encumbrances	634	2		164	800
Unreserved	39,221	161		70,204	109,586
<b>Total fund balances</b>	<b>39,855</b>	<b>163</b>		<b>70,368</b>	<b>110,386</b>
<b>Total liabilities and fund balances</b>	<b>\$ 46,625</b>	<b>\$ 12,729</b>	<b>\$ -- --</b>	<b>\$ 74,263</b>	<b>\$ 133,617</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Other Agencies, Boards and Authorities Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Capital Development Board	Criminal Justice Information Authority	Metropolitan Fair and Exposition Authority	Office of the State Fire Marshal	
	School Infrastructure Fund	Juvenile Accountability Incentive Block Grant Fund	McCormick Place Expansion Project Fund	Underground Storage Tank Fund	Total
<b>REVENUES</b>					
Sales taxes			\$ 83,774	\$	83,774
Motor fuel taxes				\$ 69,202	69,202
Public utility taxes	\$ 107,588				107,588
Federal government		\$ 6,648			6,648
Licenses and fees				141	141
Interest and other investment income		651			651
Other				12	12
<b>Total revenues</b>	<b>107,588</b>	<b>7,299</b>	<b>83,774</b>	<b>69,355</b>	<b>268,016</b>
<b>EXPENDITURES</b>					
Current:					
Education	6,385				6,385
General government	603			1,310	1,913
Employment and economic development			83,774		83,774
Public protection and justice		7,148		2,727	9,875
Environment and business regulations				58,257	58,257
Debt service:					
Principal				6	6
Interest				2	2
Capital outlays				138	138
<b>Total expenditures</b>	<b>6,988</b>	<b>7,148</b>	<b>83,774</b>	<b>62,440</b>	<b>160,350</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>100,600</b>	<b>151</b>	<b>-- --</b>	<b>6,915</b>	<b>107,666</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>					
Transfers-out	(97,248)			(14,096)	(111,344)
Capital lease financing				10	10
<b>Net other sources (uses) of financial resources</b>	<b>(97,248)</b>			<b>(14,086)</b>	<b>(111,334)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>3,352</b>	<b>151</b>	<b>-- --</b>	<b>(7,171)</b>	<b>(3,668)</b>
Fund balances, July 1, 2001	36,503	12		77,539	114,054
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 39,855</b>	<b>\$ 163</b>	<b>\$ -- --</b>	<b>\$ 70,368</b>	<b>\$ 110,386</b>

*State of Illinois***Combining Balance Sheet - Non-major Special Revenue Funds****Student Assistance Commission**

June 30, 2002 (Expressed in Thousands)

	Federal Student Loan Fund	Federal Reserve Recall Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 45,378	\$ 24,206	\$ 69,584
Receivables, net:			
Intergovernmental	24,968		24,968
Other	88	46	134
Due from other funds	17,556	6,553	24,109
<b>Total assets</b>	<b>\$ 87,990</b>	<b>\$ 30,805</b>	<b>\$ 118,795</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 7,189	\$ 27	\$ 7,216
Intergovernmental payables	71,734	29,325	101,059
Due to other funds	9,067		9,067
Deferred revenues		1,453	1,453
<b>Total liabilities</b>	<b>87,990</b>	<b>30,805</b>	<b>118,795</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances			
Unreserved			
<b>Total fund balances</b>			
<b>Total liabilities and fund balances</b>	<b>\$ 87,990</b>	<b>\$ 30,805</b>	<b>\$ 118,795</b>

*State of Illinois***Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non-major Special Revenue Funds  
Student Assistance Commission**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Federal Student Loan Fund	Federal Reserve Recall Fund	Total
<b>REVENUES</b>			
Federal government	\$ 131,065		\$ 131,065
Interest and other investment income	88	\$ 584	672
Other			
<b>Total revenues</b>	<b>131,153</b>	<b>584</b>	<b>131,737</b>
<b>EXPENDITURES</b>			
Current:			
Education	116,569	15,168	131,737
<b>Total expenditures</b>	<b>116,569</b>	<b>15,168</b>	<b>131,737</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>14,584</b>	<b>(14,584)</b>	<b>-- --</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Transfers-in		14,584	14,584
Transfers-out	(14,584)		(14,584)
<b>Net other sources (uses) of financial resources</b>	<b>(14,584)</b>	<b>14,584</b>	<b>-- --</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>-- --</b>	<b>-- --</b>	<b>-- --</b>
Fund balances, July 1, 2001, as restated			
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ -- --</b>	<b>\$ -- --</b>	<b>\$ -- --</b>

## **DEBT SERVICE FUNDS**

The Debt Service Funds are maintained to account for resources obtained and accumulated to pay interest and principal on general long-term obligations.

### **SIGNIFICANT NON-MAJOR GOVERNMENTAL DEBT SERVICE FUNDS DESCRIPTIONS**

#### **Treasurer**

General Obligation Bond Retirement and Interest Fund--to account for payments of principal and interest related to general obligation bonds. These bonds provide financing for the protection of the environment within the State; the acquisition, construction, reconstruction, extension, and improvement of highways; the acquisition, construction, reconstruction, and improvement of capital projects; the construction of facilities leased back to the State; and the development of mass transportation and aviation systems within the State.

#### **Department of Central Management Services**

ESCO COP Debt Service Fund --to account for payments of principal and interest related to ESCO Certificates of Participation. Funding consists of transfers from funds which use the facilities purchased with the ESCO Certificates of Participation proceeds and investment income.

#### **Department of Commerce and Community Affairs**

Illinois Civic Center Bond Retirement and Interest Fund --to account for the payment of principal and interest upon bonds issued to finance the construction of local civic centers. Funding consists of transfers from the Metropolitan Exposition Auditorium and Office Building Fund and investment income.

#### **Bureau of the Budget**

Build Illinois Bond Retirement and Interest Fund --to account for the payment of principal and interest upon bonds issued to finance improvements related to existing or planned scientific research, manufacturing or industrial development or expansion in Illinois. Funding consists of transfers from the Build Illinois Fund and investment income.

#### **Student Assistance Commission**

Student Assistance Commission COP Debt Service Fund --to account for payments of principal and interest related to Student Assistance Commission Certificates of Participation. Funding consists of transfers from funds which use the facilities purchased with the Student Assistance Commission Certificates of Participation proceeds and investment income.



**State of Illinois**

**Combining Balance Sheet  
Non-major Debt Service Funds**

June 30, 2002 (Expressed in Thousands)

	Treasurer	Central Management Services	Commerce and Community Affairs	Bureau of the Budget	Student Assistance Commission	
	General Obligation Bond Retirement and Interest Fund	ESCO COP Debt Service Fund	Illinois Civic Center Bond Retirement and Interest Fund	Build Illinois Bond Retirement and Interest Fund	ISAC COP Debt Service Fund	Other
<b>ASSETS</b>						
Cash and cash equivalents	\$ 476,156	\$ 910	\$ 5,808	\$ 23,409	\$ 49	\$ 5,776
Investments		3,235	15,320	100,980		
Receivables, net:						
Intergovernmental	50					
Other	805		23	601		2
Due from other funds	1	114				201
Due from component units		4,393				
Loans and notes receivable, net	25,072					
<b>Total assets</b>	<b>\$ 502,084</b>	<b>\$ 8,652</b>	<b>\$ 21,151</b>	<b>\$ 124,990</b>	<b>\$ 49</b>	<b>\$ 5,979</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities				\$ 69		
Due to other funds					\$ 49	
Due to component units		\$ 884				
<b>Total liabilities</b>		<b>884</b>		<b>69</b>	<b>49</b>	
<b>FUND BALANCES</b>						
Reserved for:						
Long-term portion of:						
Loans and notes receivable	\$ 23,358					
Other assets		138				
Debt service	478,726	7,630	\$ 21,151	124,921	\$ 49	5,979
<b>Total fund balances</b>	<b>502,084</b>	<b>7,768</b>	<b>21,151</b>	<b>124,921</b>		<b>5,979</b>
<b>Total liabilities and fund balances</b>	<b>\$ 502,084</b>	<b>\$ 8,652</b>	<b>\$ 21,151</b>	<b>\$ 124,990</b>	<b>\$ 49</b>	<b>\$ 5,979</b>

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**Total**

\$	512,108
	119,535
	50
	1,431
	316
	4,393
	25,072
\$	662,905

\$	69
	49
	884
	1,002

	23,358
	138
	638,407
	661,903
\$	662,905

**State of Illinois**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances**

**Non-major Debt Service Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Treasurer General Obligation Bond Retirement and Interest Fund	Central Management Services  ESCO COP Debt Service Fund	Commerce and Community Affairs  Illinois Civic Center Bond Retirement and Interest Fund	Bureau of the Budget  Build Illinois Bond Retirement and Interest Fund	Student Assistance Commission  ISAC COP Debt Service Fund	Other
<b>REVENUES</b>						
Licenses and fees	\$ 234					
Interest and other investment income	13,571	\$ 75	\$ 461	\$ 20,210		\$ 16
Other	212			938	\$ 51	141
<b>Total revenues</b>	<b>14,017</b>	<b>75</b>	<b>461</b>	<b>21,148</b>	<b>51</b>	<b>157</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services						489
Education					1,210	
General government	1,696	13		276		
Employment and economic development			28			
Environment and business regulations						1,724
Debt service:						
Principal	552,571	1,695	5,585	82,050	2,005	4,220
Interest	298,915	738	8,258	87,114	902	6,375
<b>Total expenditures</b>	<b>853,182</b>	<b>2,446</b>	<b>13,871</b>	<b>169,440</b>	<b>4,117</b>	<b>12,808</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(839,165)</b>	<b>(2,371)</b>	<b>(13,410)</b>	<b>(148,292)</b>	<b>(4,066)</b>	<b>(12,651)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general obligation bond refunding issues	431,511					
Transfers-in	891,055	9,041	5,826	244,004	1,889	12,881
Transfers-out		(72)		(313,787)		(2)
Payment to refunded bond escrow agent	(425,565)					
<b>Net other sources (uses) of financial resources</b>	<b>897,001</b>	<b>8,969</b>	<b>5,826</b>	<b>(69,783)</b>	<b>1,889</b>	<b>12,879</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>57,836</b>	<b>6,598</b>	<b>(7,584)</b>	<b>(218,075)</b>	<b>(2,177)</b>	<b>228</b>
Fund balances, July 1, 2001, as restated	444,248	1,170	28,735	342,996	2,177	5,751
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 502,084</b>	<b>\$ 7,768</b>	<b>\$ 21,151</b>	<b>\$ 124,921</b>	<b>\$ --</b>	<b>\$ 5,979</b>

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**Total**

\$	234
	34,333
	1,342
	<u>35,909</u>

	489
	1,210
	1,985
	28
	1,724

	648,126
	402,302
	<u>1,055,864</u>

	(1,019,955)

	431,511
	1,164,696
	(313,861)
	<u>(425,565)</u>

	<u>856,781</u>
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	<u>(163,174)</u>

	<u>825,077</u>
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\$	<u>661,903</u>
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## **CAPITAL PROJECTS FUNDS**

The Capital Projects Funds are maintained to account for the acquisition and/or construction of major capital facilities.

### **SIGNIFICANT NON-MAJOR GOVERNMENTAL CAPITAL PROJECTS FUNDS DESCRIPTIONS**

#### **Department of Commerce and Community Affairs**

Build Illinois Bond Fund --to account for the proceeds of bond sales from the Build Illinois Bond Program. The proceeds are used to finance improvements related to scientific research, manufacturing, and industrial development or expansion.

#### **Department of Natural Resources**

Conservation 2000 Projects Fund--to account for proceeds from bond issues and disbursements for natural resources programs.

#### **Department of Transportation**

Transportation Bond Series A Fund --to account for proceeds of bond issues to finance State highway acquisition, construction, reconstruction, extension and improvements.

Transportation Bond Series B Fund --to provide funds through the sale of bond issues for mass transportation and aviation purposes including, but not limited to, the acquisition of mass transportation equipment, including rail and bus, and other equipment for counties under the Regional Transportation Authority.

#### **Capital Development Board**

Capital Development Fund --to account for proceeds from bond issues and disbursements for capital development projects within the State.

School Construction Fund --to account for the proceeds from bond issues under school construction building projects.

Capital Development Board Contributory Trust Fund --to account for local, state, and federal funding for the construction and remodeling of buildings, and the purchase of land and equipment in connection with the various contributing educational institutions, State departments and agencies as authorized by law.

*State of Illinois*

**Combining Balance Sheet  
Non-major Capital Projects Funds**

June 30, 2002 (Expressed in Thousands)

	Commerce and Community Affairs	Natural Resources Conservation 2000 Projects Fund	Transportation	Capital Development Board	Other	Total
	Build Illinois Bond Fund					
<b>ASSETS</b>						
Cash and cash equivalents	\$ 116,855	\$ 10,228	\$ 85,905	\$ 88,334	\$ 5,803	\$ 307,125
Intergovernmental receivables, net				5,557		5,557
Due from other funds	9,938	2,750				12,688
Due from component units	6,300			121		6,421
<b>Total assets</b>	<b>\$ 133,093</b>	<b>\$ 12,978</b>	<b>\$ 85,905</b>	<b>\$ 94,012</b>	<b>\$ 5,803</b>	<b>\$ 331,791</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	\$ 5,810	\$ 744	\$ 32,691	\$ 99,062		\$ 138,307
Intergovernmental payables			17,943	9,487		27,430
Due to other funds			379	2,838		3,217
Due to component units				611		611
Deferred revenues				6,629		6,629
<b>Total liabilities</b>	<b>5,810</b>	<b>744</b>	<b>51,013</b>	<b>118,627</b>		<b>176,194</b>
<b>FUND BALANCES (DEFICITS)</b>						
Reserved for:						
Encumbrances	37,406	7,135	612,011	901,598		1,558,150
Capital projects	89,877	5,099			\$ 5,803	100,779
Unreserved			(577,119)	(926,213)		(1,503,332)
<b>Total fund balances (deficits)</b>	<b>127,283</b>	<b>12,234</b>	<b>34,892</b>	<b>(24,615)</b>	<b>5,803</b>	<b>155,597</b>
<b>Total liabilities and fund balances</b>	<b>\$ 133,093</b>	<b>\$ 12,978</b>	<b>\$ 85,905</b>	<b>\$ 94,012</b>	<b>\$ 5,803</b>	<b>\$ 331,791</b>

**State of Illinois**

**Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances**

**Non-major Capital Projects Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Commerce and Community Affairs	Natural Resources Conservation		Capital Development Board	Other	Total
	Build Illinois Bond Fund	2000 Projects Fund	Transportation			
<b>REVENUES</b>						
Federal government				\$ 39,627		\$ 39,627
Interest and other investment income					\$ 315	315
Other				20,035		20,035
<b>Total revenues</b>				59,662	315	59,977
<b>EXPENDITURES</b>						
Current:						
Education	\$ 7,181			839,011		846,192
General government	26,495	\$ 6		11,190	6	37,697
Employment and economic development	149,878			79,809	11,842	241,529
Transportation	7,569		\$ 143,467	638	1,007	152,681
Public protection and justice				103		103
Environment and business regulations	11,150	4,623		31,527	129	47,429
Capital outlays	9,318	1,894	316,074	287,409	141	614,836
<b>Total expenditures</b>	211,591	6,523	459,541	1,249,687	13,125	1,940,467
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(211,591)	(6,523)	(459,541)	(1,190,025)	(12,810)	(1,880,490)
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general/special obligation bond issues	160,756		451,602	1,068,313	36,521	1,717,192
Proceeds from special obligation bond refunding issues	272,803					272,803
Transfers-in		8,000		30,000	2,157	40,157
Transfers-out	(7,074)		(2,423)	(38,857)	(37,859)	(86,213)
Payment to refunded bond escrow agent	(271,519)					(271,519)
<b>Net other sources (uses) of financial resources</b>	154,966	8,000	449,179	1,059,456	819	1,672,420
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	(56,625)	1,477	(10,362)	(130,569)	(11,991)	(208,070)
Fund balances, July 1, 2001, as restated	183,908	10,757	45,254	105,954	17,794	363,667
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	\$ 127,283	\$ 12,234	\$ 34,892	\$ (24,615)	\$ 5,803	\$ 155,597

*State of Illinois***Combining Balance Sheet - Non-major Capital Projects Funds  
Transportation**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Transportation Bond Series A Fund	Transportation Bond Series B Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 43,865	\$ 42,040	\$ 85,905
<b>Total assets</b>	<b>\$ 43,865</b>	<b>\$ 42,040</b>	<b>\$ 85,905</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 25,643	\$ 7,048	\$ 32,691
Intergovernmental payables		17,943	17,943
Due to other funds		379	379
<b>Total liabilities</b>	<b>25,643</b>	<b>25,370</b>	<b>51,013</b>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	346,898	265,113	612,011
Unreserved	(328,676)	(248,443)	(577,119)
<b>Total fund balances</b>	<b>18,222</b>	<b>16,670</b>	<b>34,892</b>
<b>Total liabilities and fund balances</b>	<b>\$ 43,865</b>	<b>\$ 42,040</b>	<b>\$ 85,905</b>



*State of Illinois***Combining Statement of Revenues, Expenditures  
and Changes in Fund Balances - Non-major Capital Projects Funds  
Transportation**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Transportation Bond Series A Fund	Transportation Bond Series B Fund	Total
<b>EXPENDITURES</b>			
Current:			
Transportation	\$ 6,843	\$ 136,624	\$ 143,467
Capital outlays	307,895	8,179	316,074
<b>Total expenditures</b>	<b>314,738</b>	<b>144,803</b>	<b>459,541</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(314,738)</b>	<b>(144,803)</b>	<b>(459,541)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>			
Proceeds from general/special obligation bond issues	296,262	155,340	451,602
Transfers-out		(2,423)	(2,423)
<b>Net other sources (uses) of financial resources</b>	<b>296,262</b>	<b>152,917</b>	<b>449,179</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>(18,476)</b>	<b>8,114</b>	<b>(10,362)</b>
Fund balances, July 1, 2001	36,698	8,556	45,254
<b>FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 18,222</b>	<b>\$ 16,670</b>	<b>\$ 34,892</b>

*State of Illinois***Combining Balance Sheet - Non-major Capital Projects Funds****Capital Development Board**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 74,800	\$ 1,354	\$ 12,180	\$ 88,334
Intergovernmental receivables, net			5,557	5,557
Due from component units	121			121
<b>Total assets</b>	<b>\$ 74,921</b>	<b>\$ 1,354</b>	<b>\$ 17,737</b>	<b>\$ 94,012</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 86,108	\$ 1,846	\$ 11,108	\$ 99,062
Intergovernmental payables	100	9,387		9,487
Due to other funds	2,838			2,838
Due to component units	611			611
Deferred revenues			6,629	6,629
<b>Total liabilities</b>	<b>89,657</b>	<b>11,233</b>	<b>17,737</b>	<b>118,627</b>
<b>FUND BALANCES (DEFICITS)</b>				
Reserved for:				
Encumbrances	364,588	512,413	24,597	901,598
Unreserved	(379,324)	(522,292)	(24,597)	(926,213)
<b>Total fund balances (deficits)</b>	<b>(14,736)</b>	<b>(9,879)</b>	<b>--</b>	<b>(24,615)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 74,921</b>	<b>\$ 1,354</b>	<b>\$ 17,737</b>	<b>\$ 94,012</b>

*State of Illinois*

# Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Non-major Capital Projects Funds Capital Development Board

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Capital Development Fund	School Construction Fund	CDB Contributory Trust Fund	Total
<b>REVENUES</b>				
Federal government			\$ 39,627	\$ 39,627
Other			20,035	20,035
<b>Total revenues</b>			59,662	59,662
<b>EXPENDITURES</b>				
Current:				
Education	\$ 190,603	\$ 629,370	19,038	839,011
General government	11,190			11,190
Employment and economic development	79,809			79,809
Transportation	638			638
Public protection and justice	103			103
Environment and business regulations	31,527			31,527
Capital outlays	246,892		40,517	287,409
<b>Total expenditures</b>	560,762	629,370	59,555	1,249,687
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(560,762)	(629,370)	107	(1,190,025)
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>				
Proceeds from general/special obligation bond issues	539,145	529,168		1,068,313
Transfers-in		30,000		30,000
Transfers-out	(38,750)		(107)	(38,857)
<b>Net other sources (uses) of financial resources</b>	500,395	559,168	(107)	1,059,456
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	(60,367)	(70,202)	-- --	(130,569)
Fund balances, July 1, 2001, as restated	45,631	60,323		105,954
<b>FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	\$ (14,736)	\$ (9,879)	\$ -- --	\$ (24,615)

## ENTERPRISE FUNDS

Enterprise Funds are maintained to account for the operations where the intent of the State is to provide services to the general public in a manner similar to private business enterprises.

### SIGNIFICANT NON-MAJOR ENTERPRISE FUNDS DESCRIPTIONS

#### Department of Central Management Services

Local Government Health Insurance Reserve Fund --to provide health and dental insurance to participating local government entities. Premiums are collected from units of local government and the insurance plan is administered by private companies.

Teacher Health Insurance Security Fund --to provide health benefits for the Teachers' Retirement System recipient and dependent beneficiaries.

#### Department of Insurance

Office of the Special Deputy Receiver--to account for expenses in connection with the liquidation, conservation and rehabilitation of insurance companies.

#### Department of Lottery

State Lottery Fund --to account for all receipts and expenses from the operation of the State Lottery. The net proceeds are transferred to the General Fund.

#### Student Assistance Commission

Prepaid Tuition Fund --to account for the net assets held by the Illinois prepaid tuition program, *College Illinois!*.

**State of Illinois**

**Combining Statement of Net Assets**

**Non-major Enterprise Funds**

June 30, 2002 (Expressed in Thousands)

		Insurance	Lottery	Student Assistance Commission		
	Central Management Services	Office of the Special Deputy Receiver	State Lottery Fund	Prepaid Tuition Fund	Other	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 30,476	\$ 261	\$ 16,544	\$ 9,152	\$ 61,962	\$ 118,395
Investments, short-term			16,324	214,340	11,637	242,301
Receivables, net:						
Intergovernmental	1,442				1,729	3,171
Other	6,334	1,990	14,713	33	5,728	28,798
Due from other funds			47,304		11,676	58,980
Inventories			4,027			4,027
Prepaid expenses			91		150	241
<b>Total current assets</b>	<b>38,252</b>	<b>2,251</b>	<b>99,003</b>	<b>223,525</b>	<b>92,882</b>	<b>455,913</b>
Investments			17,856		8,285	26,141
Capital assets not being depreciated					190	190
Capital assets being depreciated, net			1,242		2,688	3,930
<b>Total assets</b>	<b>38,252</b>	<b>2,251</b>	<b>118,101</b>	<b>223,525</b>	<b>104,045</b>	<b>486,174</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities	63,554	2,251	31,435	247	11,313	108,800
Intergovernmental payables					1	1
Due to other funds	820		1,546	366	21,823	24,555
Deferred revenues			2,462		8,786	11,248
Current portion of long-term obligations	12		17,217	5,649	10,172	33,050
<b>Total current liabilities</b>	<b>64,386</b>	<b>2,251</b>	<b>52,660</b>	<b>6,262</b>	<b>52,095</b>	<b>177,654</b>
Noncurrent portion of long-term obligations	67		18,525	258,846	2,630	280,068
<b>Total liabilities</b>	<b>64,453</b>	<b>2,251</b>	<b>71,185</b>	<b>265,108</b>	<b>54,725</b>	<b>457,722</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt			1,231		2,786	4,017
Net assets restricted for other purposes			45,685			45,685
Unrestricted	(26,201)			(41,583)	46,534	(21,250)
<b>Total net assets</b>	<b>\$ (26,201)</b>	<b>\$ --</b>	<b>\$ 46,916</b>	<b>\$ (41,583)</b>	<b>\$ 49,320</b>	<b>\$ 28,452</b>

**State of Illinois**

**Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Non-major Enterprise Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

		Insurance	Lottery	Student Assistance Commission		
	Central Management Services	Office of the Special Deputy Receiver	State Lottery Fund	Prepaid Tuition Fund	Other	Total
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 275,055	\$ 45,093	\$ 1,566,309	\$ 2,023	\$ 94,134	\$ 1,982,614
Interest and other investment income				(8,433)	1,114	(7,319)
Other	1,920		32,673		112	34,705
<b>Total operating revenues</b>	<b>276,975</b>	<b>45,093</b>	<b>1,598,982</b>	<b>(6,410)</b>	<b>95,360</b>	<b>2,010,000</b>
<b>OPERATING EXPENSES</b>						
Cost of sales and services		4,195	105,589		41,106	150,890
Benefit payments and refunds	272,276				10,597	282,873
Prizes and claims			866,658			866,658
Interest			2		12	14
General and administrative	2,973	16,197	60,566	3,275	40,040	123,051
Depreciation			642		662	1,304
Other		24,701		12,559	8,730	45,990
<b>Total operating expenses</b>	<b>275,249</b>	<b>45,093</b>	<b>1,033,457</b>	<b>15,834</b>	<b>101,147</b>	<b>1,470,780</b>
<b>Operating income (loss)</b>	<b>1,726</b>	<b>-- --</b>	<b>565,525</b>	<b>(22,244)</b>	<b>(5,787)</b>	<b>539,220</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and investment income	525		42		2,010	2,577
Interest expense				(30)	(391)	(421)
Other expenses					(4)	(4)
<b>Income (loss) before operating transfers</b>	<b>2,251</b>	<b>-- --</b>	<b>565,567</b>	<b>(22,274)</b>	<b>(4,172)</b>	<b>541,372</b>
Transfers-in	2,000					2,000
Transfers-out			(551,663)		(1,013)	(552,676)
<b>Net income (loss)</b>	<b>4,251</b>	<b>-- --</b>	<b>13,904</b>	<b>(22,274)</b>	<b>(5,185)</b>	<b>(9,304)</b>
Net assets (deficit), July 1, 2001, as restated	(30,452)		33,012	(19,309)	54,505	37,756
<b>NET ASSETS (DEFICIT), JUNE 30, 2002</b>	<b>\$ (26,201)</b>	<b>\$ -- --</b>	<b>\$ 46,916</b>	<b>\$ (41,583)</b>	<b>\$ 49,320</b>	<b>\$ 28,452</b>

State of Illinois

Combining Statement of Cash Flows

Non-major Enterprise Funds

For the Year Ended June 30, 2002 (Expressed in Thousands)

		Insurance	Lottery	Student Assistance Commission	
	Central Management Services	Office of the Special Deputy Receiver	State Lottery Fund	Prepaid Tuition Fund	Other
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from sales and services	\$ 270,429	\$ 50,484	\$ 1,563,053	\$ 2,023	\$ 90,607
Cash payments to suppliers for goods and services	(257,567)	(43,165)	(86,956)	(2,519)	(14,090)
Cash payments to employees for services	(1,445)	(7,395)	(85,622)	(667)	(42,955)
Cash payments for lottery prizes			(881,919)		
Cash receipts from other operating activities	1,576		32,673	84,981	9,611
Cash payments for other operating activities	(6)		(2)	(1,692)	(36,848)
Net cash provided (used) by operating activities	12,987	(76)	541,227	82,126	6,325
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Principal paid on revenue bonds and other borrowing				(350)	(3)
Interest paid on revenue bonds and other borrowing				(30)	(391)
Operating transfers-in from other funds	2,000		1		
Operating transfers-out to other funds	(12)		(555,146)		(1,196)
Net cash provided (used) by noncapital financing activities	1,988		(555,145)	(380)	(1,590)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from capital debt incurred, net of bond issuance costs			16		85
Acquisition and construction of capital assets			(708)		(1,708)
Principal paid on capital debt			(5)		(10,855)
Net cash (used) by capital and related financing activities			(697)		(12,478)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investment securities				(77,066)	(21,345)
Proceeds from sale and maturities of investment securities			15,260		19,760
Interest and dividends on investments	522		42		1,927
Net cash provided (used) by investing activities	522		15,302	(77,066)	342
<b>Net increase (decrease) in cash and cash equivalents</b>	15,497	(76)	687	4,680	(7,401)
Cash and cash equivalents, July 1, 2001	14,979	337	15,857	4,472	69,363
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2002</b>	\$ 30,476	\$ 261	\$ 16,544	\$ 9,152	\$ 61,962
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
<b>OPERATING INCOME (LOSS)</b>	\$ 1,726	\$ -- --	\$ 565,525	\$ (22,244)	\$ (5,787)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation			642		662
Provision for uncollectible accounts			359		
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(3,854)	\$ 5,391	(3,459)	(15)	7,844
(Increase) decrease in intergovernmental receivables	(248)				690
(Increase) decrease in due from other funds			(509)		(1,240)
(Increase) decrease in inventory			(101)		
(Increase) decrease in prepaid expenses			127		(37)
Increase (decrease) in accounts payable and accrued liabilities	15,011	(5,467)	(6,701)	159	3,428
Increase (decrease) in intergovernmental payables					(1)
Increase (decrease) in due to other funds	362		(46)	(2)	(2,289)
Increase (decrease) in deferred revenues			712		(2,465)
Increase (decrease) in other liabilities	(10)		(15,322)	91,018	3,514
Other				13,210	2,006
Total adjustments	11,261	(76)	(24,298)	104,370	12,112
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	\$ 12,987	\$ (76)	\$ 541,227	\$ 82,126	\$ 6,325
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Increase (decrease) in fair value of investments	\$ -- --	\$ -- --	\$ -- --	\$ 8,627	\$ 166





*State of Illinois***Combining Statement of Net Assets - Non-major Enterprise Funds****Central Management Services**

June 30, 2002 (Expressed in Thousands)

	Local Government Health Insurance Reserve Fund	Teacher Health Insurance Security Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,703	\$ 22,773	\$ 30,476
Receivables, net:			
Intergovernmental	1,442		1,442
Other	51	6,283	6,334
<b>Total assets</b>	<u>9,196</u>	<u>29,056</u>	<u>38,252</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	23,423	40,131	63,554
Due to other funds	10	810	820
Current portion of long-term obligations	7	5	12
<b>Total current liabilities</b>	<u>23,440</u>	<u>40,946</u>	<u>64,386</u>
Noncurrent portion of long-term obligations	30	37	67
<b>Total liabilities</b>	<u>23,470</u>	<u>40,983</u>	<u>64,453</u>
<b>NET ASSETS</b>			
Unrestricted	(14,274)	(11,927)	(26,201)
<b>Total net assets</b>	<u>\$ (14,274)</u>	<u>\$ (11,927)</u>	<u>\$ (26,201)</u>

*State of Illinois***Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Non-major Enterprise Funds  
Central Management Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Local Government Health Insurance Reserve Fund	Teacher Health Insurance Security Fund	Total
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 89,309	\$ 185,746	\$ 275,055
Other	197	1,723	1,920
<b>Total operating revenues</b>	<b>89,506</b>	<b>187,469</b>	<b>276,975</b>
<b>OPERATING EXPENSES</b>			
Benefit payments and refunds	87,971	184,305	272,276
General and administrative	827	2,146	2,973
<b>Total operating expenses</b>	<b>88,798</b>	<b>186,451</b>	<b>275,249</b>
<b>Operating income (loss)</b>	<b>708</b>	<b>1,018</b>	<b>1,726</b>
<b>NONOPERATING REVENUES</b>			
Interest and investment income	151	374	525
<b>Income (loss) before operating transfers</b>	<b>859</b>	<b>1,392</b>	<b>2,251</b>
Transfers-in		2,000	2,000
<b>Net income (loss)</b>	<b>859</b>	<b>3,392</b>	<b>4,251</b>
Net assets, July 1, 2001	(15,133)	(15,319)	(30,452)
<b>NET ASSETS, JUNE 30, 2002</b>	<b>\$ (14,274)</b>	<b>\$ (11,927)</b>	<b>\$ (26,201)</b>

**State of Illinois**

**Combining Statement of Cash Flows - Non-major Enterprise Funds**

**Central Management Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Local Government Health Insurance Reserve Fund	Teacher Health Insurance Security Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from sales and services	\$ 89,061	\$ 181,368	\$ 270,429
Cash payments to suppliers for goods and services	(85,923)	(171,644)	(257,567)
Cash payments to employees for services	(662)	(783)	(1,445)
Cash receipts from other operating activities	150	1,426	1,576
Cash payments for other operating activities		(6)	(6)
Net cash provided (used) by operating activities	2,626	10,361	12,987
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Operating transfers-in from other funds		2,000	2,000
Operating transfers-out to other funds		(12)	(12)
Net cash provided (used) by noncapital financing activities		1,988	1,988
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends on investments	150	372	522
Net cash provided by investing activities	150	372	522
<b>Net increase (decrease) in cash and cash equivalents</b>	2,776	12,721	15,497
Cash and cash equivalents, July 1, 2001	4,927	10,052	14,979
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2002</b>	<b>\$ 7,703</b>	<b>\$ 22,773</b>	<b>\$ 30,476</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 708</b>	<b>\$ 1,018</b>	<b>\$ 1,726</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	453	(4,307)	(3,854)
(Increase) decrease in intergovernmental receivables	(248)		(248)
Increase (decrease) in accounts payable and accrued liabilities	1,720	13,291	15,011
Increase (decrease) in due to other funds	(5)	367	362
Increase (decrease) in other liabilities	(2)	(8)	(10)
Total adjustments	1,918	9,343	11,261
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 2,626</b>	<b>\$ 10,361</b>	<b>\$ 12,987</b>

## **INTERNAL SERVICE FUNDS**

Internal Service Funds are maintained to account for the operations of State agencies which render service to other State agencies or governmental units on a cost-reimbursement basis.

### **SIGNIFICANT INTERNAL SERVICE FUNDS DESCRIPTIONS**

#### **Central Management Services**

State Garage Revolving Fund --to account for the operation and maintenance of State garages including the servicing and repair of all automotive equipment owned or controlled by the State. Revenues consist of charges to user agencies.

Statistical Services Revolving Fund --to account for the purchase, maintenance, and operation of electronic data processing and information devices used by State agencies. Revenues consist of charges from the user agencies.

Communications Revolving Fund --to account for the expenses related to telecommunications services for State agencies. Revenues consist of reimbursements from user agencies.

Health Insurance Reserve Fund --to account for the self-insurance medical and dental plan for State employees and qualified dependents. This fund records all contributions, appropriations, interest, dividends, and expenses related to the plan.

#### **Department of Corrections**

Working Capital Revolving Fund --to account for the income and expenses associated with the industrial operations at the several State institutions.

**State of Illinois**

**Combining Statement of Net Assets**

**Internal Service Funds**

June 30, 2002 (Expressed in Thousands)

	<b>Central</b>		<b>Corrections</b>		
	<b>Management</b>	<b>Working Capital</b>			
	<b>Services</b>	<b>Revolving Fund</b>	<b>Other</b>		<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 122,511	\$ 16,675	\$ 432	\$	139,618
Receivables, net:					
Intergovernmental	812	72			884
Other	1,111	409			1,520
Due from other funds	239,646	7,088	318		247,052
Due from component units	35,597				35,597
Inventories	1,495	11,525	199		13,219
Prepaid expenses	901	16			917
<b>Total current assets</b>	<b>402,073</b>	<b>35,785</b>	<b>949</b>		<b>438,807</b>
Restricted cash and cash equivalents	108				108
Capital assets not being depreciated	1,761	534			2,295
Capital assets being depreciated, net	42,757	8,624	2		51,383
<b>Total assets</b>	<b>446,699</b>	<b>44,943</b>	<b>951</b>		<b>492,593</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	336,756	2,069	182		339,007
Intergovernmental payables	85				85
Due to other funds	2,381	254	16		2,651
Due to component units	31				31
Other liabilities	1,559				1,559
Current portion of long-term liabilities	4,060	745	8		4,813
<b>Total current liabilities</b>	<b>344,872</b>	<b>3,068</b>	<b>206</b>		<b>348,146</b>
Noncurrent portion of long-term liabilities	9,496	1,021	23		10,540
<b>Total liabilities</b>	<b>354,368</b>	<b>4,089</b>	<b>229</b>		<b>358,686</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	37,883	9,115	2		47,000
Net assets restricted for debt service	108				108
Unrestricted	54,340	31,739	720		86,799
<b>Total net assets</b>	<b>\$ 92,331</b>	<b>\$ 40,854</b>	<b>\$ 722</b>	<b>\$</b>	<b>133,907</b>

*State of Illinois***Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Internal Service Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

		Corrections			
	Central Management Services	Working Capital Revolving Fund	Other		Total
OPERATING REVENUES					
Charges for sales and services	\$ 1,413,523	\$ 46,569	\$ 1,552	\$	1,461,644
Other	7,660	402	5		8,067
Total operating revenues	1,421,183	46,971	1,557		1,469,711
OPERATING EXPENSES					
Cost of sales and services	201,925	36,934	1,126		239,985
Benefit payments and refunds	1,169,065				1,169,065
General and administrative	27,385	7,375	429		35,189
Depreciation	12,537	1,667	3		14,207
Other	10,137				10,137
Total operating expenses	1,421,049	45,976	1,558		1,468,583
Operating income (loss)	134	995	(1)		1,128
NONOPERATING REVENUES (EXPENSES)					
Interest and investment income	1,819				1,819
Interest expense	(331)	(6)			(337)
Other revenues	1,386	329			1,715
Other expenses	(669)	(218)			(887)
Income (loss) before operating transfers	2,339	1,100	(1)		3,438
Transfers-in	1,331				1,331
Transfers-out			(3)		(3)
Net income (loss)	3,670	1,100	(4)		4,766
Net assets, July 1, 2001	88,661	39,754	726		129,141
NET ASSETS, JUNE 30, 2002	\$ 92,331	\$ 40,854	\$ 722	\$	133,907

**State of Illinois**

**Combining Statement of Cash Flows  
Internal Service Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Central Management Services	Corrections Working Capital Revolving Fund	Other	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from sales and services	\$ 1,329,350	\$ 45,771	\$ 1,415	\$ 1,376,536
Cash payments to suppliers for goods and services	(1,239,818)	(25,802)	(1,309)	(1,266,929)
Cash payments to employees for services	(50,638)	(16,130)	(225)	(66,993)
Cash receipts from other operating activities	7,442		5	7,447
Cash payments for other operating activities		(1,211)		(1,211)
Net cash provided (used) by operating activities	46,336	2,628	(114)	48,850
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Operating transfers-out to other funds	(543)		(3)	(546)
Net cash (used) by noncapital financing activities	(543)		(3)	(546)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from capital debt incurred, net of bond issuance costs	5,980	68		6,048
Acquisition and construction of capital assets	(4,355)	(2,483)		(6,838)
Principal paid on bond maturities and equipment contracts	(7,751)	(26)		(7,777)
Interest paid on bond maturities and equipment contracts	(331)	(6)		(337)
Other capital and related financing activities		250		250
Net cash (used) by capital and related financing activities	(6,457)	(2,197)		(8,654)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends on investments	1,849			1,849
Net cash provided by investing activities	1,849			1,849
<b>Net increase (decrease) in cash and cash equivalents</b>	41,185	431	(117)	41,499
Cash and cash equivalents, July 1, 2001	81,326	16,244	549	98,119
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2002</b>	<b>\$ 122,511</b>	<b>\$ 16,675</b>	<b>\$ 432</b>	<b>\$ 139,618</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 134</b>	<b>\$ 995</b>	<b>\$ (1)</b>	<b>\$ 1,128</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	12,537	1,667	3	14,207
Provision for uncollectible accounts	(53)			(53)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	2,576	(42)		2,534
(Increase) decrease in intergovernmental receivables	(131)	(47)		(178)
(Increase) decrease in due from other funds	(52,622)	(1,111)	(139)	(53,872)
(Increase) decrease in due from component units	(28,960)		1	(28,959)
(Increase) decrease in inventories	199	1,160	(16)	1,343
(Increase) decrease in prepaid expenses	1,438	84		1,522
Increase (decrease) in accounts payable and accrued liabilities	119,123	(34)	39	119,128
Increase (decrease) in intergovernmental payables	(198)			(198)
Increase (decrease) in due to other funds	(2,027)	(51)	(2)	(2,080)
Increase (decrease) in due to component units	17			17
Increase (decrease) in other liabilities	(5,697)	7	1	(5,689)
Total adjustments	46,202	1,633	(113)	47,722
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 46,336</b>	<b>\$ 2,628</b>	<b>\$ (114)</b>	<b>\$ 48,850</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
Cost of capital assets acquisitions financed by capital leases	\$ 5,980	68		\$ 6,048
Capital lease liabilities entered into during the year	(5,980)	(68)		(6,048)
Total noncash investing, capital and financing activities	\$ ---	\$ ---	\$ ---	\$ ---

**State of Illinois**

**Combining Statement of Net Assets - Internal Service Funds**

**Central Management Services**

June 30, 2002 (Expressed in Thousands)

	State Garage Revolving Fund	Statistical Services Revolving Fund	Communications Revolving Fund	Health Insurance Reserve Fund	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,484	\$ 7,316	\$ 22,326	\$ 91,385	\$ 122,511
Receivables, net:					
Intergovernmental	81		731		812
Other			115	996	1,111
Due from other funds	5,076	20,403	24,024	190,143	239,646
Due from component units	36	38	644	34,879	35,597
Inventories	1,373	122			1,495
Prepaid expenses		901			901
<b>Total current assets</b>	<b>8,050</b>	<b>28,780</b>	<b>47,840</b>	<b>317,403</b>	<b>402,073</b>
Restricted cash and cash equivalents	108				108
Capital assets not being depreciated		1,048	713		1,761
Capital assets being depreciated, net	6,923	21,410	14,424		42,757
<b>Total assets</b>	<b>15,081</b>	<b>51,238</b>	<b>62,977</b>	<b>317,403</b>	<b>446,699</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	4,965	4,360	10,556	316,875	336,756
Intergovernmental payables	2	83			85
Due to other funds	142	289	1,877	73	2,381
Due to component units	21	6	4		31
Other liabilities		1,559			1,559
Current portion of long-term liabilities	1,028	2,420	558	54	4,060
<b>Total current liabilities</b>	<b>6,158</b>	<b>8,717</b>	<b>12,995</b>	<b>317,002</b>	<b>344,872</b>
Noncurrent portion of long-term liabilities	2,592	5,189	1,314	401	9,496
<b>Total liabilities</b>	<b>8,750</b>	<b>13,906</b>	<b>14,309</b>	<b>317,403</b>	<b>354,368</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	5,118	18,501	14,264		37,883
Net assets restricted for debt service	108				108
Unrestricted	1,105	18,831	34,404		54,340
<b>Total net assets</b>	<b>\$ 6,331</b>	<b>\$ 37,332</b>	<b>\$ 48,668</b>	<b>\$ -- --</b>	<b>\$ 92,331</b>



*State of Illinois*
**Combining Statement of Revenues, Expenses and  
Changes in Net Assets - Internal Service Funds  
Central Management Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	State Garage Revolving Fund	Statistical Services Revolving Fund	Communications Revolving Fund	Health Insurance Reserve Fund	Total
<b>OPERATING REVENUES</b>					
Charges for sales and services	\$ 34,638	\$ 79,962	\$ 129,181	\$ 1,169,742	\$ 1,413,523
Other	43	49		7,568	7,660
<b>Total operating revenues</b>	<b>34,681</b>	<b>80,011</b>	<b>129,181</b>	<b>1,177,310</b>	<b>1,421,183</b>
<b>OPERATING EXPENSES</b>					
Cost of sales and services	24,439	78,318	99,168		201,925
Benefit payments and refunds				1,169,065	1,169,065
General and administrative	8,617	2,744	5,960	10,064	27,385
Depreciation	993	6,272	5,272		12,537
Other	574		9,563		10,137
<b>Total operating expenses</b>	<b>34,623</b>	<b>87,334</b>	<b>119,963</b>	<b>1,179,129</b>	<b>1,421,049</b>
<b>Operating income (loss)</b>	<b>58</b>	<b>(7,323)</b>	<b>9,218</b>	<b>(1,819)</b>	<b>134</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest and investment income				1,819	1,819
Interest expense	(116)	(176)	(39)		(331)
Other revenues	515	871			1,386
Other expenses	(42)	(5)	(622)		(669)
<b>Income (loss) before operating transfers</b>	<b>415</b>	<b>(6,633)</b>	<b>8,557</b>	<b>-- --</b>	<b>2,339</b>
Transfers-in		1,331			1,331
<b>Net income (loss)</b>	<b>415</b>	<b>(5,302)</b>	<b>8,557</b>	<b>-- --</b>	<b>3,670</b>
Net assets, July 1, 2001	5,916	42,634	40,111		88,661
<b>NET ASSETS, JUNE 30, 2002</b>	<b>\$ 6,331</b>	<b>\$ 37,332</b>	<b>\$ 48,668</b>	<b>\$ -- --</b>	<b>\$ 92,331</b>

**State of Illinois**

**Combining Statement of Cash Flows - Internal Service Funds**

**Central Management Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	State Garage Revolving Fund	Statistical Services Revolving Fund	Communications Revolving Fund	Health Insurance Reserve Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from sales and services	\$ 35,243	\$ 72,209	\$ 137,502	\$ 1,084,396	\$ 1,329,350
Cash payments to suppliers for goods and services	(21,158)	(56,810)	(110,781)	(1,051,069)	(1,239,818)
Cash payments to employees for services	(13,782)	(23,873)	(9,469)	(3,514)	(50,638)
Cash receipts from other operating activities	43	11		7,388	7,442
Net cash provided (used) by operating activities	346	(8,463)	17,252	37,201	46,336
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers-out to other funds		(543)			(543)
Net cash (used) by noncapital financing activities		(543)			(543)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from capital debt incurred, net of bond issuance costs	1,429	3,584	967		5,980
Acquisition and construction of capital assets	(91)	(1,551)	(2,713)		(4,355)
Principal paid on bond maturities and equipment contracts	(2,119)	(4,348)	(1,284)		(7,751)
Interest paid on bond maturities and equipment contracts	(116)	(176)	(39)		(331)
Net cash (used) by capital and related financing activities	(897)	(2,491)	(3,069)		(6,457)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends on investments				1,849	1,849
Net cash provided by investing activities				1,849	1,849
<b>Net increase (decrease) in cash and cash equivalents</b>	(551)	(11,497)	14,183	39,050	41,185
Cash and cash equivalents, July 1, 2001	2,035	18,813	8,143	52,335	81,326
<b>CASH AND CASH EQUIVALENTS, JUNE 30, 2002</b>	<b>\$ 1,484</b>	<b>\$ 7,316</b>	<b>\$ 22,326</b>	<b>\$ 91,385</b>	<b>\$ 122,511</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 58</b>	<b>\$ (7,323)</b>	<b>\$ 9,218</b>	<b>\$ (1,819)</b>	<b>\$ 134</b>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	993	6,272	5,272		12,537
Provision for uncollectible accounts			(53)		(53)
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable		7	2,749	(180)	2,576
(Increase) decrease in intergovernmental receivables	11		(142)		(131)
(Increase) decrease in due from other funds	566	(1,847)	4,899	(56,240)	(52,622)
(Increase) decrease in due from component units	(28)	(3)	177	(29,106)	(28,960)
(Increase) decrease in inventories	96	103			199
(Increase) decrease in prepaid expenses		1,438			1,438
Increase (decrease) in accounts payable and accrued liabilities	(937)	(589)	(4,834)	125,483	119,123
Increase (decrease) in intergovernmental payables		(198)			(198)
Increase (decrease) in due to other funds	(456)	(483)	(120)	(968)	(2,027)
Increase (decrease) in due to component units	12	4	1		17
Increase (decrease) in other liabilities	31	(5,844)	85	31	(5,697)
Total adjustments	288	(1,140)	8,034	39,020	46,202
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>\$ 346</b>	<b>\$ (8,463)</b>	<b>\$ 17,252</b>	<b>\$ 37,201</b>	<b>\$ 46,336</b>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>					
Cost of capital assets acquisitions financed by capital leases	\$ 1,429	\$ 3,584	967		\$ 5,980
Capital lease liabilities entered into during the year	(1,429)	(3,584)	(967)		(5,980)
Total noncash investing, capital and financing activities	\$ --	\$ --	\$ --	\$ --	\$ --

## **SIGNIFICANT PENSION TRUST FUNDS DESCRIPTIONS**

See Note 15 on page 85 for description of pension funds.

**State of Illinois**

**Combining Statement of Fiduciary Net Assets  
Pension (and Other Employee Benefit) Trust Funds**

June 30, 2002 (Expressed in Thousands)

	Central Management Services					State Universities Retirement System	
	Deferred Compensation	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System	Teachers' Retirement System	Defined Benefit	Defined Contribution
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,205	\$ 1,646	\$ 8,696	\$ 97,563	\$ 6,039	\$ 414,909	
Investments:							
Equities	1,303,912				10,126,648	6,371,068	8,526
Fixed income	434,993				8,795,239	3,221,749	4,086
Real estate					2,202,926	1,043	4
Other					1,820,106		119,826
Pooled		52,154	332,425	7,543,749			
Securities lending collateral					1,897,635	881,308	
Receivables, net:							
Members					149,913	22,076	1,460
Employers		7	446	15,080	8,812		
Investment income					233,414	654,164	
Other	731				1,061	3,315	852
Due from other funds		347	2,170	19,470		27	
Due from component units						1,565	
Capital assets not being depreciated				900	238	532	
Capital assets being depreciated, net		2	3	2,327	2,876	13,166	
<b>Total assets</b>	<b>1,746,841</b>	<b>54,156</b>	<b>343,740</b>	<b>7,679,089</b>	<b>25,244,907</b>	<b>11,584,922</b>	<b>134,754</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	828		34	4,039	979,564	16,187	
Due to other funds	32	86	6	69	27	1	
Other liabilities					1,897,636	1,736,177	
Long term obligations:							
Due within one year	17			172	157		
Due subsequent to one year	88	19	41	916	1,238	17,881	
<b>Total liabilities</b>	<b>965</b>	<b>105</b>	<b>81</b>	<b>5,196</b>	<b>2,878,622</b>	<b>1,770,246</b>	
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE</b>							
<b>BENEFITS</b>	<b>\$ 1,745,876</b>	<b>\$ 54,051</b>	<b>\$ 343,659</b>	<b>\$ 7,673,893</b>	<b>\$ 22,366,285</b>	<b>\$ 9,814,676</b>	<b>\$ 134,754</b>

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**Total**

\$	536,058
17,810,154	
12,456,067	
2,203,973	
1,939,932	
7,928,328	
2,778,943	
173,449	
24,345	
887,578	
5,959	
22,014	
1,565	
1,670	
18,374	
46,788,409	
1,000,652	
221	
3,633,813	
346	
20,183	
4,655,215	
\$ 42,133,194	

**State of Illinois**

**Combining Statement of Changes in Fiduciary Net Assets  
Pension (and Other Employee Benefit) Trust Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Central Management Services					State Universities Retirement System	
	Deferred Compensation	General Assembly Retirement System	Judges' Retirement System	State Employees' Retirement System	Teachers' Retirement System	Defined Benefit	Defined Contribution
<b>ADDITIONS</b>							
Contributions:							
Employer State		\$ 4,678	\$ 27,532	\$ 386,117	\$ 47,149	\$ 256,124	\$ 22,967
					814,740		
Plan members	\$ 150,660	1,444	12,469	196,915	681,152	250,024	27,456
Other	757	152	18		45,469		
Total contributions	151,417	6,274	40,019	583,032	1,588,510	506,148	50,423
Investment income:							
Interest and other investment income	46,691	1,516	9,445	208,150	868,722	262,721	
Net depreciation of investments	(149,173)	(5,305)	(33,145)	(736,577)	(1,461,164)	(895,504)	(15,186)
Less investment expense		(126)	(794)	(17,684)	(131,545)	(18,516)	
Net investment income (loss)	(102,482)	(3,915)	(24,494)	(546,111)	(723,987)	(651,299)	(15,186)
Total additions	48,935	2,359	15,525	36,921	864,523	(145,151)	35,237
<b>DEDUCTIONS</b>							
Benefit payments and refunds	70,166	10,021	53,176	632,066	1,798,504	743,267	3
Participants' withdrawals	28,896					37,040	2,423
Interest expense						1,294	
Depreciation		2	3	265	631	1,508	
General and administration	1,315	283	421	7,358	12,857	10,361	
Other					1,892		
Total deductions	100,377	10,306	53,600	639,689	1,813,884	793,470	2,426
Net additions (deductions)	(51,442)	(7,947)	(38,075)	(602,768)	(949,361)	(938,621)	32,811
Net assets held in trust for pension and other employee benefits, July 1, 2001, as restated	1,797,318	61,998	381,734	8,276,661	23,315,646	10,753,297	101,943
<b>NET ASSETS HELD IN TRUST FOR PENSION AND OTHER EMPLOYEE BENEFITS, JUNE 30, 2002</b>							
	\$ 1,745,876	\$ 54,051	\$ 343,659	\$ 7,673,893	\$ 22,366,285	\$ 9,814,676	\$ 134,754

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**Total**

\$	744,567
	814,740
	1,320,120
	46,396
	<u>2,925,823</u>
	1,397,245
	(3,296,054)
	(168,665)
	<u>(2,067,474)</u>
	858,349
	3,307,203
	68,359
	1,294
	2,409
	32,595
	1,892
	<u>3,413,752</u>
	(2,555,403)
	44,688,597
	<u></u>
\$	<u>42,133,194</u>

## **SIGNIFICANT INVESTMENT TRUST FUNDS DESCRIPTIONS**

### **Treasurer**

Public Treasurers' External Investment Pool Fund--to hold and invest public funds deposited by local Treasurers to enhance investment opportunities - in effect a mutual fund.

College Savings Pool Fund--to account for assets held by the Bright Start College Savings Program, a qualified State tuition program under Section 529 of the Internal Revenue Code. The program provides an opportunity for investors to invest on a tax-favored basis toward the qualified higher education expenses of a designated beneficiary associated with attending an institution of higher education.

### **Department of Lottery**

Deferred Prize Winners Trust Fund--to hold the proceeds of investments that will be paid to Illinois State Lottery prize winners. Investment contracts are executed by the State Treasurer with the State Lottery Director's approval in a manner which ensures the timely payment to prize winners.



*State of Illinois***Combining Statement of Fiduciary Net Assets****Investment Trust Funds**

June 30, 2002 (Expressed in Thousands)

	Treasurer		Lottery		
	Public Treasurers' External Investment Pool Fund	College Savings Pool Fund	Deferred Prize Winners' Trust Fund		Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 130,101	\$ 4,080	\$ 1,238	\$	135,419
Investments:					
Equities		322,260			322,260
Fixed income			1,210,231		1,210,231
Pooled	3,550,684				3,550,684
Investment income receivables, net		633	7		640
<b>Total assets</b>	<b>3,680,785</b>	<b>326,973</b>	<b>1,211,476</b>		<b>5,219,234</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	106				106
Due to other funds	227		890		1,117
Other liabilities		2,563	355		2,918
<b>Total liabilities</b>	<b>333</b>	<b>2,563</b>	<b>1,245</b>		<b>4,141</b>
<b>NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS</b>	<b>\$ 3,680,452</b>	<b>\$ 324,410</b>	<b>\$ 1,210,231</b>	<b>\$</b>	<b>5,215,093</b>

*State of Illinois***Combining Statement of Changes in Fiduciary Net Assets  
Investment Trust Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	<b>Treasurer</b>		<b>Lottery</b>	
	<b>Public Treasurers' External Investment Pool Fund</b>	<b>College Savings Pool Fund</b>	<b>Deferred Prize Winners' Trust Fund</b>	<b>Total</b>
<b>ADDITIONS</b>				
Participant deposits, net		\$ 246,944		\$ 246,944
Investment income:				
Interest and other investment income	\$ 103,901	5,078	\$ 87,045	196,024
Net appreciation (depreciation) of investments		(35,955)	24,195	(11,760)
Less investment expense	(3,878)			(3,878)
Net investment income	100,023	(30,877)	111,240	180,386
<b>Total additions</b>	<b>100,023</b>	<b>216,067</b>	<b>111,240</b>	<b>427,330</b>
<b>DEDUCTIONS</b>				
Participant withdrawals, net	119,039		141,722	260,761
Distribution to pool investors	100,023			100,023
General and administration		575		575
<b>Total deductions</b>	<b>219,062</b>	<b>575</b>	<b>141,722</b>	<b>361,359</b>
<b>Net additions (deductions)</b>	<b>(119,039)</b>	<b>215,492</b>	<b>(30,482)</b>	<b>65,971</b>
Net assets held in trust for pool participants, July 1, 2001, as restated	3,799,491	108,918	1,240,713	5,149,122
<b>NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS, JUNE 30, 2002</b>	<b>\$ 3,680,452</b>	<b>\$ 324,410</b>	<b>\$ 1,210,231</b>	<b>\$ 5,215,093</b>

## SIGNIFICANT AGENCY FUNDS DESCRIPTIONS

### **Treasurer**

Protest Fund--to provide a "holding" fund for taxes paid under protest, pending the outcome of litigation.

### **Department of Insurance**

Security Deposit Fund--to hold securities on deposit by domestic and certain foreign domiciled insurance companies in the State for protection of all policyholders, policy obligations and creditors of the companies.

### **Department of Public Aid**

Public Assistance Recoveries Trust Fund--to account for the deposit of recoveries from federally-aided assistance programs.

Child Support Enforcement Trust Fund--to account for that portion of the Child Support Enforcement Trust Fund that hold monies recovered under the Child Support Enforcement Program until they can be paid over to the appropriate third parties.

### **Department of Revenue**

Home Rule Municipal Retailers Occupation Tax Fund--to receive and record monies collected from a tax imposed upon all persons, in such municipality, in the business of selling tangible personal property.

Metro-East Park and Recreation Fund--to account for the 1/10<sup>th</sup> percent of sales tax imposed by the Metro-East Park and Recreation District effective July 1, 2001, and collected by the Department of Revenue.

RTA Sales Tax Fund--to receive and record deposits of the RTA Sales Tax.

Long-Term Care Fund Clearing Account--to provide a "holding" fund for taxes paid on other tobacco products (i.e. other than cigarettes) required by a court order to be held in a separate temporary escrow fund.

*State of Illinois***Combining Statement of Fiduciary Net Assets****Agency Funds**

June 30, 2002 (Expressed in Thousands)

	<u>Treasurer</u>	<u>Insurance</u>				
	<u>Protest Fund</u>	<u>Security</u>	<u>Public Aid</u>	<u>Revenue</u>	<u>Other</u>	<u>Total</u>
		<u>Deposit Fund</u>				
<b>ASSETS</b>						
Cash and cash equivalents	\$ 465,244		\$ 25,004	\$ 138,214	\$ 158,507	\$ 786,969
Receivables, net:						
Taxes	3,103			61,539	36,391	101,033
Intergovernmental					1,713	1,713
Other			210,408	80	28,314	238,802
Due from other funds			9,075	22,572	3,995	35,642
Due from component units					199	199
Other assets		\$ 1,271,950			16,939	1,288,889
<b>Total assets</b>	<b>\$ 468,347</b>	<b>\$ 1,271,950</b>	<b>\$ 244,487</b>	<b>\$ 222,405</b>	<b>\$ 246,058</b>	<b>\$ 2,453,247</b>
<b>LIABILITIES</b>						
Accounts payable and accrued liabilities			\$ 3,420	\$ 1,107	\$ 19,749	\$ 24,276
Intergovernmental payables				161,432	142,902	304,334
Due to other funds	\$ 201		12,134	1	24,149	36,485
Due to component units					7	7
Depository and other liabilities	468,146	\$ 1,271,950	228,933	59,865	59,251	2,088,145
<b>Total liabilities</b>	<b>\$ 468,347</b>	<b>\$ 1,271,950</b>	<b>\$ 244,487</b>	<b>\$ 222,405</b>	<b>\$ 246,058</b>	<b>\$ 2,453,247</b>

**State of Illinois**

**Combining Statement of Fiduciary Net Assets - Agency Funds**

**Public Aid**

June 30, 2002 (Expressed in Thousands)

	Public Assistance Recoveries Trust Fund	Child Support Enforcement Trust Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 25,004		\$ 25,004
Other receivables, net	63,148	\$ 147,260	210,408
Due from other funds		9,075	9,075
<b>Total assets</b>	<b>\$ 88,152</b>	<b>\$ 156,335</b>	<b>\$ 244,487</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		\$ 3,420	\$ 3,420
Due to other funds	\$ 12,134		12,134
Depository and other liabilities	76,018	152,915	228,933
<b>Total liabilities</b>	<b>\$ 88,152</b>	<b>\$ 156,335</b>	<b>\$ 244,487</b>

*State of Illinois***Combining Statement of Fiduciary Net Assets - Agency Funds****Revenue**

June 30, 2002 (Expressed in Thousands)

	Home Rule Municipal Retailers Occupation Tax Fund	Metro-East Park and Recreation Fund	RTA Sales Tax Trust Fund	Long-Term Care Fund Clearing Account	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 41,843	\$ 1,101	\$ 35,405	\$ 59,865	\$ 138,214
Receivables, net:					
Taxes	28,456	159	32,924		61,539
Other	40		40		80
Due from other funds			22,572		22,572
<b>Total assets</b>	<b>\$ 70,339</b>	<b>\$ 1,260</b>	<b>\$ 90,941</b>	<b>\$ 59,865</b>	<b>\$ 222,405</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 1,107				\$ 1,107
Intergovernmental payables	69,231	\$ 1,260	\$ 90,941		161,432
Due to other funds	1				1
Depository and other liabilities				\$ 59,865	59,865
<b>Total liabilities</b>	<b>\$ 70,339</b>	<b>\$ 1,260</b>	<b>\$ 90,941</b>	<b>\$ 59,865</b>	<b>\$ 222,405</b>

**State of Illinois**

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

AGENCY/FUND	Assets					
	Cash and cash equivalents	Receivables, net			Due from other funds	Due from component units
		Taxes	Intergovernmental	Other		
<b>Treasurer:</b>						
Protest Fund						
Balance July 1, 2001	\$ 386,578	\$ 8,241				
Additions	95,180	3,103				
Deductions	16,514	8,241				
Balance June 30, 2002	465,244	3,103				
<b>Insurance:</b>						
Security Deposit Fund						
Balance July 1, 2001						
Additions						
Deductions						
Balance June 30, 2002						
<b>Public Aid</b>						
Public Assistance Recoveries Trust Fund						
Balance July 1, 2001	51,660			\$ 67,962		
Additions	301,402			276,528		
Deductions	328,058			281,342		
Balance June 30, 2002	25,004			63,148		
Child Support Enforcement Trust Fund						
Balance July 1, 2001				174,732	\$ 16,764	
Additions				378,773	9,075	
Deductions				406,245	16,764	
Balance June 30, 2002				147,260	9,075	
<b>Revenue:</b>						
Home Rule Municipal Retailers						
Occupation Tax Fund						
Balance July 1, 2001	38,032	24,674		82		
Additions	414,603	28,456		40		
Deductions	410,792	24,674		82		
Balance June 30, 2002	41,843	28,456		40		
Metro-East Park and Recreation Fund						
Balance July 1, 2001						
Additions	3,621	159				
Deductions	2,520					
Balance June 30, 2002	1,101	159				
RTA Sales Tax Trust Fund						
Balance July 1, 2001	35,082	29,522		74	22,099	
Additions	634,640	32,924		40	22,572	
Deductions	634,317	29,522		74	22,099	
Balance June 30, 2002	35,405	32,924		40	22,572	
Long-Term Care Fund Clearing Account						
Balance July 1, 2001						
Additions	59,865					
Deductions						
Balance June 30, 2002	59,865					
<b>Other:</b>						
Balance July 1, 2001	220,300	33,412	\$ 1,598	30,832	23,842	\$ 241
Additions	2,575,986	36,391	1,692	25,316	3,995	199
Deductions	2,637,779	33,412	1,577	27,834	23,842	241
Balance June 30, 2002	158,507	36,391	1,713	28,314	3,995	199
<b>Total</b>						
Balance July 1, 2001	731,652	95,849	1,598	273,682	62,705	241
Additions	4,085,297	101,033	1,692	680,697	35,642	199
Deductions	4,029,980	95,849	1,577	715,577	62,705	241
Balance June 30, 2002	\$ 786,969	\$ 101,033	\$ 1,713	\$ 238,802	\$ 35,642	\$ 199

		Liabilities					
Other assets	Total assets	Accounts payable and accrued liabilities	Intergovernmental payables	Due to other funds	Due to component units	Depository and other liabilities	Total liabilities
	\$ 394,819			\$ 1,117		\$ 393,702	\$ 394,819
	98,283			201		94,590	94,791
	24,755			1,117		20,146	21,263
	<u>468,347</u>			<u>201</u>		<u>468,146</u>	<u>468,347</u>
\$ 1,247,342	1,247,342					1,247,342	1,247,342
24,608	24,608					24,608	24,608
<u>1,271,950</u>	<u>1,271,950</u>					<u>1,271,950</u>	<u>1,271,950</u>
	119,622		\$ 29,564	21,603		68,455	119,622
	577,930			277,686		300,244	577,930
	<u>609,400</u>		<u>29,564</u>	<u>287,155</u>		<u>292,681</u>	<u>609,400</u>
	<u>88,152</u>		<u>-- --</u>	<u>12,134</u>		<u>76,018</u>	<u>88,152</u>
	191,496	\$ 11,072				180,424	191,496
	387,848	3,420				152,915	156,335
	<u>423,009</u>	<u>11,072</u>				<u>180,424</u>	<u>191,496</u>
	<u>156,335</u>	<u>3,420</u>				<u>152,915</u>	<u>156,335</u>
	62,788	937	61,849	2			62,788
	443,099	1,107	69,231	1			70,339
	435,548	937	61,849	2			62,788
	<u>70,339</u>	<u>1,107</u>	<u>69,231</u>	<u>1</u>			<u>70,339</u>
	3,780		1,260				1,260
	<u>2,520</u>						
	<u>1,260</u>		<u>1,260</u>				<u>1,260</u>
	86,777		86,777				86,777
	690,176		90,941				90,941
	<u>686,012</u>		<u>86,777</u>				<u>86,777</u>
	<u>90,941</u>		<u>90,941</u>				<u>90,941</u>
	59,865					59,865	59,865
	<u>59,865</u>					<u>59,865</u>	<u>59,865</u>
17,954	328,179	16,973	160,822	64,463	\$ 20	85,901	328,179
5,613	2,649,192	723,689	675,635	164,031		539,277	2,102,632
6,628	2,731,313	720,913	693,555	204,345	13	565,927	2,184,753
<u>16,939</u>	<u>246,058</u>	<u>19,749</u>	<u>142,902</u>	<u>24,149</u>	<u>7</u>	<u>59,251</u>	<u>246,058</u>
1,265,296	2,431,023	28,982	339,012	87,185	20	1,975,824	2,431,023
30,221	4,934,781	728,216	837,067	441,919		1,171,499	3,178,701
6,628	4,912,557	732,922	871,745	492,619	13	1,059,178	3,156,477
<u>\$ 1,288,889</u>	<u>\$ 2,453,247</u>	<u>\$ 24,276</u>	<u>\$ 304,334</u>	<u>\$ 36,485</u>	<u>\$ 7</u>	<u>\$ 2,088,145</u>	<u>\$ 2,453,247</u>



## COMPONENT UNITS

Component Units are legally separate organizations for which the elected officials of the primary government are financially accountable. Component Units also include certain other organizations because of the nature and significance of their relationship with the primary government.

### NON-MAJOR COMPONENT UNITS DESCRIPTIONS

Illinois Literacy Foundation--to account for supplemental funds raised from the private sector to promote the Illinois Literacy Foundation.

Community Development Finance Corporation--to promote economic redevelopment within designated areas.

Illinois Grain Insurance Corporation--to account for monies held to compensate grain producers for losses from the failure of a grain dealer.

Illinois Conservation Foundation--to provide additional funding for the Illinois Department of Natural Resources' conservation programs that either are not receiving adequate State funding or else cannot be implemented because State funding is not available.

The Comprehensive Health Insurance Plan Board--to provide an alternate market for health insurance for eligible Illinois residents having a preexisting health condition.

East St. Louis Financial Advisory Authority--to provide a secure financial basis for and to furnish assistance to the City of East St. Louis.

Illinois Farm Development Authority--to develop various programs designed to maintain and promote the agricultural economy of the State.

Illinois Health Facilities Authority--to provide alternative methods of financing to not-for-profit and public health care providers.

Illinois Educational Facilities Authority--to provide tax exempt financing for the acquisition or construction of educational facilities.

Illinois Development Finance Authority--to provide funding for industrial, commercial, and manufacturing development in areas of Illinois with critical unemployment.

Illinois Rural Bond Bank--to provide assistance to rural government units by providing adequate capital markets and facilities for borrowing money and financing improvements at low interest rates.

Illinois Medical District Commission--to combine the resources of diverse medical institutions to promote low cost medical care in the City of Chicago, accelerate scientific research, improve diagnostic methods, and train health care professionals.

Quad Cities Regional Economic Development Authority--to provide funding for development in the Quad cities region.

Southwestern Illinois Development Authority--to promote and enhance economic development in St. Clair and Madison counties in southwestern Illinois.

Upper Illinois River Valley Development Authority--to promote and enhance economic development within the State's Upper Illinois River Valley.

Will-Kankakee Regional Development Authority--to promote and enhance economic development in the counties of Will and Kankakee.

Board of Trustees of Chicago State University--to operate, manage, control, and maintain Chicago State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Eastern Illinois University--to operate, manage, control, and maintain Eastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Governors State University--to operate, manage, control, and maintain Governors State University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Northeastern Illinois University--to operate, manage, control, and maintain Northeastern Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

Board of Trustees of Western Illinois University--to operate, manage, control, and maintain Western Illinois University. The Board was created on January 1, 1996 with the dissolution of the Board of Governors of State Colleges and Universities.

**State of Illinois**

**Combining Statement of Net Assets**

**Component Units - Other Authorities**

June 30, 2002 (Expressed in Thousands)

	Illinois Literacy Foundation	Community Development Finance Corporation	Illinois Grain Insurance Corporation	Illinois Conservation Foundation	Comprehensive Health Insurance Board
<b>ASSETS</b>					
Cash and cash equivalents	\$ 68	\$ 7	\$ 19	\$ 3,540	\$ 51,649
Investments				64	61,766
Receivables, net:					
Intergovernmental					
Other			1	22	682
Due from primary government			7		
Inventories				3	
Prepaid expenses				6	3
Unamortized bond issuance costs					
Loans and notes receivable, net					
Restricted assets:					
Investments					
Other receivables, net					
Other assets					
Capital assets not being depreciated					
Capital assets being depreciated, net					119
<b>Total assets</b>	<u>68</u>	<u>7</u>	<u>27</u>	<u>3,635</u>	<u>114,219</u>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities				24	9,509
Intergovernmental payables					
Due to primary government	2			8	6
Deferred revenue					
Liabilities payable from restricted assets					
Long-term obligations:					
Due within one year					22,145
Due subsequent to one year					204
<b>Total liabilities</b>	<u>2</u>			<u>32</u>	<u>31,864</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt					119
Restricted for:					
Other purposes					82,236
Unrestricted	66	7	27	3,603	
<b>Total net assets</b>	<u>\$ 66</u>	<u>\$ 7</u>	<u>\$ 27</u>	<u>\$ 3,603</u>	<u>\$ 82,355</u>

East St. Louis Financial Advisory Authority	Illinois Farm Development Authority	Illinois Health Facilities Authority	Illinois Educational Facilities Authority	Illinois Development Finance Authority	Illinois Rural Bond Bank	Illinois Medical District Commission	Quad Cities Regional Economic Development Authority
\$ 3,547 1,141	\$ 22,361 2,520	\$ 328 7,760	\$ 200 649	\$ 1,456 23,339	\$ 302 14,069	\$ 203 4,352	\$ 213
				3,700	13		
8	221 2	665	42	36	1,600	382 93	
		25	3	70	3		
					1,119		
858				11,633	83,189		
				1,378	8,690		
						24,798	
3	20			7		3,898	
5,557	25,124	8,778	894	41,619	108,985	33,726	213
13	164	43	100	644	1,961	4,761	
					1		
			23	59	12		
		28			1,179		
		8		53	17,210	365	
				1,044	84,697	2,612	58
13	164	79	123	1,800	105,060	7,738	58
3	20			7		25,952	
		975		563		332	
5,541	24,940	7,724	771	39,249	3,925	(296)	155
\$ 5,544	\$ 24,960	\$ 8,699	\$ 771	\$ 39,819	\$ 3,925	\$ 25,988	\$ 155

*State of Illinois***Combining Statement of Net Assets****Component Units - Other Authorities**

June 30, 2002 (Expressed in Thousands)

(continued)

	Southwestern Illinois Development Authority	Upper Illinois River Valley Development Authority	Will-Kankakee Regional Development Authority	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,132	\$ 272	\$ 65	\$ 86,362
Investments				115,660
Receivables, net:				
Intergovernmental				3,713
Other	35			3,686
Due from primary government				110
Inventories				3
Prepaid expenses				110
Unamortized bond issuance costs				1,119
Loans and notes receivable, net	1,136			96,816
Restricted assets:				
Investments				10,068
Other receivables, net	5,400			5,400
Other assets	192			192
Capital assets not being depreciated	100			24,898
Capital assets being depreciated, net	481			4,528
<b>Total assets</b>	<u>9,476</u>	<u>272</u>	<u>65</u>	<u>352,665</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	9			17,228
Intergovernmental payables				1
Due to primary government				110
Deferred revenue	5,400			6,607
Liabilities payable from restricted assets				
Long-term obligations:				
Due within one year	10			39,791
Due subsequent to one year	51			88,666
<b>Total liabilities</b>	<u>5,470</u>			<u>152,403</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	581			26,682
Restricted for:				
Other purposes				84,106
Unrestricted	3,425	272	65	89,474
<b>Total net assets</b>	<u>\$ 4,006</u>	<u>\$ 272</u>	<u>\$ 65</u>	<u>\$ 200,262</u>

**State of Illinois****Combining Statement of Activities****Component Units - Other Authorities**

For the year ended June 30, 2002 (Expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Illinois Literacy Foundation	\$ 13				\$ (13)
Community Development Finance Corporation					
Illinois Grain Insurance Corporation	5,110				(5,110)
Illinois Conservation Foundation	3,600		\$ 2,834	\$ 692	(74)
Comprehensive Health Insurance Board	89,248	\$ 56,062			(33,186)
East St. Louis Financial Advisory Authority	266				(266)
Illinois Farm Development Authority	1,108	643			(465)
Illinois Health Facilities Authority	1,874	1,697			(177)
Illinois Educational Facilities Authority	371	339			(32)
Illinois Development Finance Authority	4,557	2,499			(2,058)
Illinois Rural Bond Bank	6,044	4,644	283		(1,117)
Illinois Medical District Commission	2,797	1,708	332		(757)
Quad Cities Regional Economic Development Authority	56	40			(16)
Southwestern Illinois Development Authority	2,100	532			(1,568)
Upper Illinois River Valley Development Authority	91	118			27
Will-Kankakee Regional Development Authority	34	47			13
Total	<u>\$ 117,269</u>	<u>\$ 68,329</u>	<u>\$ 3,449</u>	<u>\$ 692</u>	<u>\$ (44,799)</u>

General Revenues			Change in Net Assets	Net Assets, July 1, 2001, As Restated	Net Assets, June 30, 2002
State Appropriations	Interest and Investment Income	Other			
		\$ 17	\$ 4	\$ 62	\$ 66
				7	7
	\$ 100	203	(4,807)	4,834	27
	88	94	108	3,495	3,603
\$ 32,000	4,648	18,500	21,962	60,393	82,355
264	221		219	5,325	5,544
1,134	796		1,465	23,495	24,960
	393		216	8,483	8,699
	27		(5)	776	771
	664		(1,394)	41,213	39,819
	1,101		(16)	3,941	3,925
4,705	4	798	4,750	21,238	25,988
	10		(6)	161	155
1,696	82	68	278	3,728	4,006
			27	245	272
			13	52	65
<u>\$ 39,799</u>	<u>\$ 8,134</u>	<u>\$ 19,680</u>	<u>\$ 22,814</u>	<u>\$ 177,448</u>	<u>\$ 200,262</u>

**State of Illinois**

**Combining Statement of Net Assets**

**Component Units - Other Universities**

June 30, 2002 (Expressed in Thousands)

	Chicago State University	Eastern Illinois University	Governors State University	Northeastern Illinois University	Western Illinois University
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,250	\$ 12,333	\$ 3,973	\$ 25,098	\$ 34,146
Investments	1,196	4,440		1,293	34,355
Receivables, net:					
Intergovernmental			971	1,733	1,752
Other	2,126	5,679	3,669	1,944	4,124
Due from component units				7	204
Due from primary government	1,605	494	195	149	2,127
Inventories	78	1,896	45	126	2,990
Prepaid expenses	31	84		126	17
Unamortized bond issuance costs		480			208
Loans and notes receivable, net	576	5,627	3,179	2,107	1,938
Restricted assets:					
Cash and cash equivalents		14,482		1,924	
Investments		37,977	555		5,111
Other assets		721		390	
Capital assets not being depreciated	19,981	18,167	9,542	5,973	16,727
Capital assets being depreciated, net	49,365	107,520	35,439	69,851	102,265
<b>Total assets</b>	<b>81,208</b>	<b>209,900</b>	<b>57,568</b>	<b>110,721</b>	<b>205,964</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	5,795	6,672	3,139	6,243	14,502
Intergovernmental payables			2,927		930
Due to component units	43				209
Due to primary government	1,150	2,321	147	239	403
Deferred revenue	92	3,913	1,423	1,875	3,498
Liabilities payable from restricted assets	1,903	11,595			719
Other liabilities		3,989		26	3,445
Long-term obligations:					
Due within one year	2,879	4,535	1,801	4,108	4,307
Due subsequent to one year	36,569	76,740	10,462	14,779	77,958
<b>Total liabilities</b>	<b>48,431</b>	<b>109,765</b>	<b>19,899</b>	<b>27,270</b>	<b>105,971</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	39,942	58,281	39,470	69,363	72,007
Restricted for:					
Capital projects	832	3,080			
Debt service	253	3,502		571	5,111
Nonexpendable purposes		16,379	728	1,305	
Other expendable purposes	2,969	13,750	2,030	5,458	18,438
Unrestricted (deficit)	(11,219)	5,143	(4,559)	6,754	4,437
<b>Total net assets</b>	<b>\$ 32,777</b>	<b>\$ 100,135</b>	<b>\$ 37,669</b>	<b>\$ 83,451</b>	<b>\$ 99,993</b>



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**Total**

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\$ 81,800  
41,284

4,456  
17,542  
211

4,570  
5,135  
258

688  
13,427

16,406  
43,643  
1,111

70,390  
364,440  

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665,361

36,351  
3,857  
252

4,260  
10,801  
14,217

7,460

17,630

216,508

311,336

279,063

3,912  
9,437

18,412

42,645

556

\$ 354,025

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**State of Illinois****Combining Statement of Activities****Component Units - Other Universities**

For the year ended June 30, 2002 (Expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Chicago State University	\$ 99,626	\$ 17,234	\$ 23,307		\$ (59,085)
Eastern Illinois University	156,452	65,976	16,624	145	(73,707)
Governors State University	60,914	20,035	893		(39,986)
Northeastern Illinois University	105,093	22,613	21,629		(60,851)
Western Illinois University	197,615	85,075	24,927	\$ 560	(87,053)
Total	<u>\$ 619,700</u>	<u>\$ 210,933</u>	<u>\$ 87,380</u>	<u>\$ 705</u>	<u>\$ (320,682)</u>

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General Revenues			Change in Net Assets	Net Assets, July 1, 2001, As Restated	Net Assets, June 30, 2002
State Appropriations	Interest and Investment Income	Other			
\$ 61,376	\$ (37)	\$ 1,422	\$ 3,676	\$ 29,101	\$ 32,777
83,669	(457)	486	9,991	90,144	100,135
45,841	242	85	6,182	31,487	37,669
61,379	486	3,616	4,630	78,821	83,451
93,765	(2,601)	468	4,579	95,414	99,993
<u>\$ 346,030</u>	<u>\$ (2,367)</u>	<u>\$ 6,077</u>	<u>\$ 29,058</u>	<u>\$ 324,967</u>	<u>\$ 354,025</u>

## Budgetary Schedules

The following budgetary schedules for the State have been prepared in accordance with the terminology and classifications of funds used by the State in the Statewide Accounting Management System (“SAMS”) budgetary purposes. SAMS establishes the following budgetary fund groups to account for the State’s budgetary activities:

**General** – funds established to account for those services traditionally provided by a state government which are not required to be accounted for in other funds;

**Highway** – funds established to receive and distribute assessments related to transportation, and to support the construction and maintenance of transportation facilities and activities of the State;

**Special State** – funds designated by statute as special funds in the State Treasury and not elsewhere classified;

**Bond Financed** – funds established to receive and administer the proceeds of various bond issues of the State;

**Debt Service** – funds established to finance and account for the payment of principal and interest generally associated with the general and special obligation bond issues of the State;

**Federal Trust** – funds established pursuant to grants and contracts or under statutory authority between State agencies and the federal government;

**Revolving** – funds established to finance and account for intra-governmental services; and

**State Trust** – funds established by statute or under statutory authority for nonfederal programs which are not deemed to be a traditional governmental activity or elsewhere classified.

As the attached schedules are presented on the budgetary basis and not the GAAP basis of accounting, all budgeted funds of the State, including those presented as required supplemental information, are presented. The schedules presented as required supplemental information classify certain major governmental funds differently for GAAP reporting purposes than the following budgetary presentation. Below is a summary of those differences:

GAAP Basis	Budgetary Basis Includes
General Fund	All General Funds Special State Funds: Budget Stabilization Fund University of Illinois Hospital Services Fund County Hospital Services Fund Care Provider Fund for Person with Developmental Disabilities Fund Long Term Care Fund Drug Rebate Fund Income Tax Refund Fund and 11 funds included as other special state funds
Motor Fuel Tax Fund	Highway Funds: Motor Fuel Tax Fund - State Motor Fuel Tax Fund - Counties Motor Fuel Tax Fund - Municipalities Motor Fuel Tax Fund - Townships

**State of Illinois**

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
All Budgeted Fund Groups**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	General Funds			Highway Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>						
Income taxes	\$ 9,550,000	\$ 8,259,606	\$ (1,290,394)			
Sales taxes	6,575,000	6,050,553	(524,447)			
Motor fuel taxes				\$ 1,322,500	\$ 1,303,875	\$ (18,625)
Public utility taxes	1,200,000	1,103,784	(96,216)			
Federal government	4,053,000	4,131,640	78,640	865,100	834,455	(30,645)
Other	2,295,000	2,214,619	(80,381)	1,440,300	1,413,994	(26,306)
Less:						
Refunds	39,215	37,928	(1,287)	26,216	18,865	(7,351)
<b>Total revenues</b>	<b>23,633,785</b>	<b>21,722,274</b>	<b>(1,911,511)</b>	<b>3,601,684</b>	<b>3,533,459</b>	<b>(68,225)</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	10,535,723	10,239,280	(296,443)			
Education	8,863,965	8,799,105	(64,860)			
General government	1,363,600	1,333,023	(30,577)	243,637	234,481	(9,156)
Transportation	64,278	57,484	(6,794)	3,152,391	3,079,892	(72,499)
Public protection and justice	1,917,012	1,820,590	(96,422)	52,733	52,732	(1)
Employment and economic development	217,023	202,718	(14,305)	2,000	1,604	(396)
Environment and business regulation	205,723	194,138	(11,585)			
Debt service:						
Principal						
Interest						
Capital outlays	58,430	40,620	(17,810)	34,456	33,456	(1,000)
<b>Total expenditures</b>	<b>23,225,754</b>	<b>22,686,958</b>	<b>(538,796)</b>	<b>3,485,217</b>	<b>3,402,165</b>	<b>(83,052)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>408,031</b>	<b>(964,684)</b>	<b>(1,372,715)</b>	<b>116,467</b>	<b>131,294</b>	<b>14,827</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	3,928,000	4,300,805	372,805	1,198,500	1,167,455	(31,045)
Operating transfers-out	(4,856,325)	(4,856,325)	-	#####	#####	-
<b>Total other sources (uses) of financial resources</b>	<b>(928,325)</b>	<b>(555,520)</b>	<b>372,805</b>	<b>(217,263)</b>	<b>(248,308)</b>	<b>(31,045)</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(520,294)</b>	<b>(1,520,204)</b>	<b>(999,910)</b>	<b>(100,796)</b>	<b>(117,014)</b>	<b>(16,218)</b>
Budgetary fund balances (deficits), July 1, 2001, as previously reported	300,144	300,144	-	1,188,397	1,188,397	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2001, as reclassified	300,144	300,144	-	1,188,397	1,188,397	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (220,150)</b>	<b>\$ (1,220,060)</b>	<b>\$ (999,910)</b>	<b>\$ 1,087,601</b>	<b>\$ 1,071,383</b>	<b>\$ (16,218)</b>

Special State Funds			Bond Financed Funds			Debt Service Funds		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 1,608,835	\$ 1,608,835	\$ -						
598,848	595,260	(3,588)						
66,100	69,647	3,547						
474,963	464,315	(10,648)						
1,969,293	2,033,682	64,389				\$ 340	\$ 30	\$ (310)
4,721,772	4,765,254	43,482				24,248	19,558	(4,690)
1,053,320	1,047,518	(5,802)						
8,386,491	8,489,475	102,984				24,588	19,588	(5,000)
3,634,097	3,276,249	(357,848)						
220,974	151,524	(69,450)	\$ 368,379	\$ 368,379	\$ -			
3,972,054	3,688,113	(283,941)	376,594	376,338	(256)			
362,665	287,883	(74,782)	463,284	463,284	-			
202,827	125,650	(77,177)	485	485	-			
468,648	377,077	(91,571)	240,052	239,699	(353)			
808,284	682,388	(125,896)	74,146	72,541	(1,605)			
			271,519	271,503	(16)	1,178,196	1,152,299	(25,897)
						400,210	382,635	(17,575)
39,794	37,225	(2,569)	499,794	416,584	(83,210)			
9,709,343	8,626,109	(1,083,234)	2,294,253	2,208,813	(85,440)	1,578,406	1,534,934	(43,472)
(1,322,852)	(136,634)	1,186,218	(2,294,253)	(2,208,813)	85,440	(1,553,818)	(1,515,346)	38,472
142,500	159,054	16,554	1,700,000	1,981,330	281,330	425,565	425,565	-
2,398,629	2,485,919	87,290	-	30,000	30,000	1,133,542	1,140,852	7,310
(2,519,721)	(2,519,721)	-	(30,000)	(30,000)				
21,408	125,252	103,844	1,670,000	1,981,330	311,330	1,559,107	1,566,417	7,310
(580)	(580)	-						
(1,302,024)	(11,962)	1,290,062	(624,253)	(227,483)	396,770	5,289	51,071	45,782
1,727,594	1,727,594	-	492,858	492,858	-	436,280	436,280	-
29	29	-						
1,727,623	1,727,623	-	492,858	492,858	-	436,280	436,280	-
\$ 425,599	\$ 1,715,661	\$ 1,290,062	\$ (131,395)	\$ 265,375	\$ 396,770	\$ 441,569	\$ 487,351	\$ 45,782

(continued)

**State of Illinois**

**Combined Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
All Budgeted Fund Groups**

For the Year Ended June 30, 2002 (Expressed in Thousands)

(continued)

	Federal Trust Funds			Revolving Funds		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>						
Income taxes						
Sales taxes						
Motor fuel taxes						
Public utility taxes						
Federal government	\$ 2,797,014	\$ 2,852,847	\$ 55,833			
Other	146,552	220,132	73,580	\$ 325,780	\$ 290,196	\$ (35,584)
Less:						
Refunds	4,885	1,226	(3,659)	8,085	15	(8,070)
<b>Total revenues</b>	<b>2,938,681</b>	<b>3,071,753</b>	<b>133,072</b>	<b>317,695</b>	<b>290,181</b>	<b>(27,514)</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services	1,190,032	878,208	(311,824)			
Education	1,934,909	1,479,577	(455,332)			
General government	14,425	10,026	(4,399)	340,647	238,061	(102,586)
Transportation	158,189	158,189	-	1,000	857	(143)
Public protection and justice	291,110	99,708	(191,402)	55,397	42,455	(12,942)
Employment and economic development	838,431	444,549	(393,882)			
Environment and business regulation	76,126	55,921	(20,205)			
Debt service:						
Principal						
Interest						
Capital outlays	14,178	6,227	(7,951)	5,291	3,614	(1,677)
<b>Total expenditures</b>	<b>4,517,400</b>	<b>3,132,405</b>	<b>(1,384,995)</b>	<b>402,335</b>	<b>284,987</b>	<b>(117,348)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,578,719)</b>	<b>(60,652)</b>	<b>1,518,067</b>	<b>(84,640)</b>	<b>5,194</b>	<b>89,834</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	8,931	20,028	11,097	2,100	6,522	4,422
Operating transfers-out	(2,033)	(2,033)	-	(73)	(73)	-
<b>Total other sources (uses) of financial resources</b>	<b>6,898</b>	<b>17,995</b>	<b>11,097</b>	<b>2,027</b>	<b>6,449</b>	<b>4,422</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(11,575)</b>	<b>(11,575)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(1,583,396)</b>	<b>(54,232)</b>	<b>1,529,164</b>	<b>(82,613)</b>	<b>11,643</b>	<b>94,256</b>
Budgetary fund balances (deficits), July 1, 2001, as previously reported	15,258	15,258	-	6,904	6,904	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances (deficits), July 1, 2001, as reclassified	15,258	15,258	-	6,904	6,904	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (1,568,138)</b>	<b>\$ (38,974)</b>	<b>\$ 1,529,164</b>	<b>\$ (75,709)</b>	<b>\$ 18,547</b>	<b>\$ 94,256</b>

State Trust Funds			Total (Memorandum Only)		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 11,158,835	\$ 9,868,441	\$ (1,290,394)
\$ 409,882	\$ 409,882	\$ -	7,583,730	7,055,695	(528,035)
26,899	26,899	-	1,415,499	1,400,421	(15,078)
			1,674,963	1,568,099	(106,864)
123,876	114,239	(9,637)	9,808,623	9,966,893	158,270
1,485,362	1,737,236	251,874	10,439,014	10,660,989	221,975
100		(100)	1,131,821	1,105,552	(26,269)
2,045,919	2,288,256	242,337	40,948,843	39,414,986	(1,533,857)
372,404	257,970	(114,434)	15,732,256	14,651,707	(1,080,549)
21,093	12,165	(8,928)	11,409,320	10,810,750	(598,570)
249,581	178,768	(70,813)	6,560,538	6,058,810	(501,728)
			4,201,807	4,047,589	(154,218)
3,956	2,035	(1,921)	2,523,520	2,143,655	(379,865)
2,622	20	(2,602)	1,768,776	1,265,667	(503,109)
9,406	5,631	(3,775)	1,173,685	1,010,619	(163,066)
			1,449,715	1,423,802	(25,913)
			400,210	382,635	(17,575)
3,624	1,256	(2,368)	655,567	538,982	(116,585)
662,686	457,845	(204,841)	45,875,394	42,334,216	(3,541,178)
1,383,233	1,830,411	447,178	(4,926,551)	(2,919,230)	2,007,321
			2,268,065	2,565,949	297,884
-	2,000	2,000	8,669,702	9,153,581	483,879
(145,407)	(145,407)	-	(8,969,322)	(8,969,322)	-
(145,407)	(143,407)	2,000	1,968,445	2,750,208	781,763
(1,674,907)	(1,674,907)	-	(1,687,062)	(1,687,062)	-
(437,081)	12,097	449,178	(4,645,168)	(1,856,084)	2,789,084
110,101	110,101	-	4,277,536	4,277,536	-
106,587	106,587	-	106,616	106,616	-
216,688	216,688	-	4,384,152	4,384,152	-
\$ (220,393)	\$ 228,785	\$ 449,178	\$ (261,016)	\$ 2,528,068	\$ 2,789,084



**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
General Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	General Revenue			Special Account		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes	\$ 8,853,000	\$ 7,655,586	\$ (1,197,414)			
Sales taxes	4,931,000	4,545,112	(385,888)	\$ 1,644,000	\$ 1,505,441	\$ (138,559)
Public utility taxes	1,067,000	981,358	(85,642)			
Federal government	4,053,000	4,131,640	78,640			
Other	2,148,000	2,066,980	(81,020)			
Less:						
Refunds	39,215	37,928	(1,287)			
<b>Total revenues</b>	<b>21,012,785</b>	<b>19,342,748</b>	<b>(1,670,037)</b>	<b>1,644,000</b>	<b>1,505,441</b>	<b>(138,559)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	10,535,723	10,239,280	(296,443)			
Education	4,347,335	4,283,956	(63,379)			
General government	1,363,591	1,333,014	(30,577)			
Transportation	64,278	57,484	(6,794)			
Public protection and justice	1,917,012	1,820,590	(96,422)			
Employment and economic development	217,023	202,718	(14,305)			
Environment and business regulation	205,723	194,138	(11,585)			
Capital outlays	58,394	40,598	(17,796)			
<b>Total expenditures</b>	<b>18,709,079</b>	<b>18,171,778</b>	<b>(537,301)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,303,706</b>	<b>1,170,970</b>	<b>(1,132,736)</b>	<b>1,644,000</b>	<b>1,505,441</b>	<b>(138,559)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	527,000	804,652	277,652			
Operating transfers-out	(3,321,886)	(3,321,886)	-	(1,534,165)	(1,534,165)	-
<b>Total other sources (uses) of financial resources</b>	<b>(2,794,886)</b>	<b>(2,517,234)</b>	<b>277,652</b>	<b>(1,534,165)</b>	<b>(1,534,165)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(491,180)</b>	<b>(1,346,264)</b>	<b>(855,084)</b>	<b>109,835</b>	<b>(28,724)</b>	<b>(138,559)</b>
Budgetary fund balances, July 1, 2001	(123,943)	(123,943)	-	65,871	65,871	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (615,123)</b>	<b>\$ (1,470,207)</b>	<b>\$ (855,084)</b>	<b>\$ 175,706</b>	<b>\$ 37,147</b>	<b>\$ (138,559)</b>

Education Assistance			Common School			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 697,000	\$ 604,020	\$ (92,980)				\$ 9,550,000	\$ 8,259,606	\$ (1,290,394)
						6,575,000	6,050,553	(524,447)
			\$ 133,000	\$ 122,426	\$ (10,574)	1,200,000	1,103,784	(96,216)
						4,053,000	4,131,640	78,640
-	299	299	147,000	147,340	340	2,295,000	2,214,619	(80,381)
						39,215	37,928	(1,287)
697,000	604,319	(92,681)	280,000	269,766	(10,234)	23,633,785	21,722,274	(1,911,511)
						10,535,723	10,239,280	(296,443)
1,219,714	1,218,578	(1,136)	3,296,916	3,296,571	(345)	8,863,965	8,799,105	(64,860)
9	9	-				1,363,600	1,333,023	(30,577)
						64,278	57,484	(6,794)
						1,917,012	1,820,590	(96,422)
						217,023	202,718	(14,305)
						205,723	194,138	(11,585)
36	22	(14)				58,430	40,620	(17,810)
1,219,759	1,218,609	(1,150)	3,296,916	3,296,571	(345)	23,225,754	22,686,958	(538,796)
(522,759)	(614,290)	(91,531)	(3,016,916)	(3,026,805)	(9,889)	408,031	(964,684)	(1,372,715)
440,000	470,018	30,018	2,961,000	3,026,135	65,135	3,928,000	4,300,805	372,805
(194)	(194)	-	(80)	(80)	-	(4,856,325)	(4,856,325)	-
439,806	469,824	30,018	2,960,920	3,026,055	65,135	(928,325)	(555,520)	372,805
(82,953)	(144,466)	(61,513)	(55,996)	(750)	55,246	(520,294)	(1,520,204)	(999,910)
342,327	342,327	-	15,889	15,889	-	300,144	300,144	-
\$ 259,374	\$ 197,861	\$ (61,513)	\$ (40,107)	\$ 15,139	\$ 55,246	\$ (220,150)	\$ (1,220,060)	\$ (999,910)

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Highway Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Road			Motor Fuel Tax-State		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes				\$ 1,322,500	\$ 1,303,875	\$ (18,625)
Federal government	\$ 865,100	\$ 834,455	\$ (30,645)			
Other	918,300	879,230	(39,070)	-	715	715
Less:						
Refunds	3,216	3,208	(8)	23,000	15,657	(7,343)
<b>Total revenues</b>	<b>1,780,184</b>	<b>1,710,477</b>	<b>(69,707)</b>	<b>1,299,500</b>	<b>1,288,933</b>	<b>(10,567)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	170,273	167,534	(2,739)	73,364	66,947	(6,417)
Transportation	1,600,079	1,562,513	(37,566)	10,665	9,529	(1,136)
Public protection and justice	52,733	52,732	(1)			
Employment and economic development	2,000	1,604	(396)			
Capital outlays	34,216	33,220	(996)	240	236	(4)
<b>Total expenditures</b>	<b>1,859,301</b>	<b>1,817,603</b>	<b>(41,698)</b>	<b>84,269</b>	<b>76,712</b>	<b>(7,557)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(79,117)</b>	<b>(107,126)</b>	<b>(28,009)</b>	<b>1,215,231</b>	<b>1,212,221</b>	<b>(3,010)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	326,600	318,137	(8,463)			
Operating transfers-out	(210,931)	(210,931)	-	(1,202,535)	(1,202,535)	-
<b>Total other sources (uses) of financial resources</b>	<b>115,669</b>	<b>107,206</b>	<b>(8,463)</b>	<b>(1,202,535)</b>	<b>(1,202,535)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>36,552</b>	<b>80</b>	<b>(36,472)</b>	<b>12,696</b>	<b>9,686</b>	<b>(3,010)</b>
Budgetary fund balances (deficits), July 1, 2001	775,760	775,760	-	96,473	96,473	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 812,312</b>	<b>\$ 775,840</b>	<b>\$ (36,472)</b>	<b>\$ 109,169</b>	<b>\$ 106,159</b>	<b>\$ (3,010)</b>

Grade Crossing Protection			State Construction Account			Motor Fuel Tax-Counties		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)

\$ - \$ 1 \$ 1 \$ 522,000 \$ 534,048 \$ 12,048

- 1 1 522,000 534,048 12,048

34,154 34,075 (79) 864,493 864,493 - \$ 225,100 \$ 213,310 \$ (11,790)

34,154 34,075 (79) 864,493 864,493 - 225,100 213,310 (11,790)

(34,154) (34,074) 80 (342,493) (330,445) 12,048 (225,100) (213,310) 11,790

27,000 27,000 - 226,500 219,887 (6,613) 216,500 210,911 (5,589)

(2,252) (2,252) - (45) (45) -

24,748 24,748 - 226,455 219,842 (6,613) 216,500 210,911 (5,589)

(9,406) (9,326) 80 (116,038) (110,603) 5,435 (8,600) (2,399) 6,201

39,180 39,180 - 325,246 325,246 - (16,896) (16,896) -

\$ 29,774 \$ 29,854 \$ 80 \$ 209,208 \$ 214,643 \$ 5,435 \$ (25,496) \$ (19,295) \$ 6,201

*State of Illinois***Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Highway Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

(continued)

	Motor Fuel Tax-Municipalities			Motor Fuel Tax-Township		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes						
Federal government						
Other						
Less:						
Refunds						
<b>Total revenues</b>						
<b>EXPENDITURES:</b>						
Current:						
General government						
Transportation	\$ 315,700	\$ 299,158	\$ (16,542)	\$ 102,200	\$ 96,814	\$ (5,386)
Public protection and justice						
Employment and economic development						
Capital outlays						
<b>Total expenditures</b>	315,700	299,158	(16,542)	102,200	96,814	(5,386)
<b>Excess (deficiency) of revenues over (under) expenditures</b>	(315,700)	(299,158)	16,542	(102,200)	(96,814)	5,386
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	303,600	295,794	(7,806)	98,300	95,726	(2,574)
Operating transfers-out						
<b>Total other sources (uses) of financial resources</b>	303,600	295,794	(7,806)	98,300	95,726	(2,574)
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	(12,100)	(3,364)	8,736	(3,900)	(1,088)	2,812
Budgetary fund balances (deficits), July 1, 2001	(23,697)	(23,697)	-	(7,669)	(7,669)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	\$ (35,797)	\$ (27,061)	\$ 8,736	\$ (11,569)	\$ (8,757)	\$ 2,812

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Total		
Final Budget	Actual	Variance Over (Under)

\$	1,322,500	\$	1,303,875	\$	(18,625)
	865,100		834,455		(30,645)
	1,440,300		1,413,994		(26,306)

	26,216		18,865		(7,351)
	3,601,684		3,533,459		(68,225)

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	243,637		234,481		(9,156)
	3,152,391		3,079,892		(72,499)
	52,733		52,732		(1)
	2,000		1,604		(396)
	34,456		33,456		(1,000)
	3,485,217		3,402,165		(83,052)

	116,467		131,294		14,827
	1,198,500		1,167,455		(31,045)
	(1,415,763)		(1,415,763)		-
	(217,263)		(248,308)		(31,045)

	(100,796)		(117,014)		(16,218)

	1,188,397		1,188,397		-
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\$	1,087,601	\$	1,071,383	\$	(16,218)
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**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Elected Officials			Code Departments		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes				\$ 1,608,835	\$ 1,608,835	\$ -
Sales taxes				580,148	577,923	(2,225)
Motor fuel taxes						
Public utility taxes				319,163	317,769	(1,394)
Federal government				1,720,599	1,836,202	115,603
Other	\$ 401,875	\$ 396,709	\$ (5,166)	3,496,789	3,549,678	52,889
Less:						
Refunds				1,049,264	1,044,516	(4,748)
<b>Total revenues</b>	<b>401,875</b>	<b>396,709</b>	<b>(5,166)</b>	<b>6,676,270</b>	<b>6,845,891</b>	<b>169,621</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	211,050	207,382	(3,668)	3,193,559	2,904,791	(288,768)
Education	70,900	70,900	-	1,354	1,354	-
General government	25,370	23,588	(1,782)	3,637,597	3,418,685	(218,912)
Transportation				319,883	252,990	(66,893)
Public protection and justice	2,300	2,300	-	86,790	44,598	(42,192)
Employment and economic development	7,523	6,636	(887)	257,729	239,229	(18,500)
Environment and business regulation	3,137	2,737	(400)	35,204	32,244	(2,960)
Capital outlays	13,047	12,778	(269)	2,265	2,087	(178)
<b>Total expenditures</b>	<b>333,327</b>	<b>326,321</b>	<b>(7,006)</b>	<b>7,534,381</b>	<b>6,895,978</b>	<b>(638,403)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>68,548</b>	<b>70,388</b>	<b>1,840</b>	<b>(858,111)</b>	<b>(50,087)</b>	<b>808,024</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues						
Operating transfers-in	450,802	530,802	80,000	1,583,998	1,663,219	79,221
Operating transfers-out	(565,802)	(565,802)	-	(1,791,442)	(1,791,442)	-
<b>Total other sources (uses) of financial resources</b>	<b>(115,000)</b>	<b>(35,000)</b>	<b>80,000</b>	<b>(207,444)</b>	<b>(128,223)</b>	<b>79,221</b>
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(46,452)</b>	<b>35,388</b>	<b>81,840</b>	<b>(1,065,555)</b>	<b>(178,310)</b>	<b>887,245</b>
Budgetary fund balances, July 1, 2001, as previously reported	286,359	286,359	-	443,757	443,757	-
Reclassifications between budgetary/nonbudgetary funds-net						
Budgetary fund balances, July 1, 2001, as reclassified	286,359	286,359	-	443,757	443,757	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 239,907</b>	<b>\$ 321,747</b>	<b>\$ 81,840</b>	<b>\$ (621,798)</b>	<b>\$ 265,447</b>	<b>\$ 887,245</b>

Agencies, Boards & Commissions								
Final Budget	Actual	Variance Over (Under)	Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 1,608,835	\$ 1,608,835	\$ -
			\$ 18,700	\$ 17,337	\$ (1,363)	598,848	595,260	(3,588)
\$ 66,100	\$ 69,647	\$ 3,547				66,100	69,647	3,547
121,000	110,426	(10,574)	34,800	36,120	1,320	474,963	464,315	(10,648)
135,000	98,572	(36,428)	113,694	98,908	(14,786)	1,969,293	2,033,682	64,389
174,350	181,407	7,057	648,758	637,460	(11,298)	4,721,772	4,765,254	43,482
222	12	(210)	3,834	2,990	(844)	1,053,320	1,047,518	(5,802)
496,228	460,040	(36,188)	812,118	786,835	(25,283)	8,386,491	8,489,475	102,984
			229,488	164,076	(65,412)	3,634,097	3,276,249	(357,848)
8,877	8,551	(326)	139,843	70,719	(69,124)	220,974	151,524	(69,450)
61,050	56,839	(4,211)	248,037	189,001	(59,036)	3,972,054	3,688,113	(283,941)
			42,782	34,893	(7,889)	362,665	287,883	(74,782)
3,867	2,852	(1,015)	109,870	75,900	(33,970)	202,827	125,650	(77,177)
31,631	30,323	(1,308)	171,765	100,889	(70,876)	468,648	377,077	(91,571)
358,261	352,403	(5,858)	411,682	295,004	(116,678)	808,284	682,388	(125,896)
298	259	(39)	24,184	22,101	(2,083)	39,794	37,225	(2,569)
463,984	451,227	(12,757)	1,377,651	952,583	(425,068)	9,709,343	8,626,109	(1,083,234)
32,244	8,813	(23,431)	(565,533)	(165,748)	399,785	(1,322,852)	(136,634)	1,186,218
142,500	159,054	16,554				142,500	159,054	16,554
121,631	60,323	(61,308)	242,198	231,575	(10,623)	2,398,629	2,485,919	87,290
(111,750)	(111,750)	-	(50,727)	(50,727)	-	(2,519,721)	(2,519,721)	-
152,381	107,627	(44,754)	191,471	180,848	(10,623)	21,408	125,252	103,844
			(580)	(580)	-	(580)	(580)	-
184,625	116,440	(68,185)	(374,642)	14,520	389,162	(1,302,024)	(11,962)	1,290,062
336,506	336,506	-	660,972	660,972	-	1,727,594	1,727,594	-
			29	29	-	29	29	-
336,506	336,506	-	661,001	661,001	-	1,727,623	1,727,623	-
\$ 521,131	\$ 452,946	\$ (68,185)	\$ 286,359	\$ 675,521	\$ 389,162	\$ 425,599	\$ 1,715,661	\$ 1,290,062



**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Elected Officials**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Comptroller			Treasurer		
	Budget Stabilization					
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other				\$ 401,875	\$ 396,709	\$ (5,166)
<b>Total revenues</b>				<b>401,875</b>	<b>396,709</b>	<b>(5,166)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				211,050	207,382	(3,668)
Education				70,900	70,900	-
General government				25,370	23,588	(1,782)
Public protection and justice				2,300	2,300	-
Employment and economic development				7,523	6,636	(887)
Environment and business regulation				3,137	2,737	(400)
Capital outlays				13,047	12,778	(269)
<b>Total expenditures</b>				<b>333,327</b>	<b>326,321</b>	<b>(7,006)</b>
<b>Excess of revenues over expenditures</b>				<b>68,548</b>	<b>70,388</b>	<b>1,840</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	\$ 450,802	\$ 450,802	\$ -	-	80,000	80,000
Operating transfers-out	(225,702)	(225,702)	-	(340,100)	(340,100)	-
<b>Total other sources (uses) of financial resources</b>	<b>225,100</b>	<b>225,100</b>	<b>-</b>	<b>(340,100)</b>	<b>(260,100)</b>	<b>80,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources</b>	<b>225,100</b>	<b>225,100</b>	<b>-</b>	<b>(271,552)</b>	<b>(189,712)</b>	<b>81,840</b>
Budgetary fund balances, July 1, 2001	602	602	-	285,757	285,757	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 225,702</b>	<b>\$ 225,702</b>	<b>\$ -</b>	<b>\$ 14,205</b>	<b>\$ 96,045</b>	<b>\$ 81,840</b>


Total		
Final Budget	Actual	Variance Over (Under)

\$	401,875	\$	396,709	\$	(5,166)
	401,875		396,709		(5,166)

	211,050		207,382		(3,668)
	70,900		70,900		-
	25,370		23,588		(1,782)
	2,300		2,300		-
	7,523		6,636		(887)
	3,137		2,737		(400)
	13,047		12,778		(269)
	333,327		326,321		(7,006)
	68,548		70,388		1,840

	450,802		530,802		80,000
	(565,802)		(565,802)		-
	(115,000)		(35,000)		80,000

	(46,452)		35,388		81,840
	286,359		286,359		-
\$	239,907	\$	321,747	\$	81,840

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - State Treasurer**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	State Pensions			Tobacco Settlement Recovery		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ 85,000	\$ 82,975	\$ (2,025)	\$ 316,875	\$ 313,734	\$ (3,141)
<b>Total revenues</b>	<b>85,000</b>	<b>82,975</b>	<b>(2,025)</b>	<b>316,875</b>	<b>313,734</b>	<b>(3,141)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				211,050	207,382	(3,668)
Education	66,900	66,900	-	4,000	4,000	-
General government	19,389	17,607	(1,782)	5,981	5,981	-
Public protection and justice	2,300	2,300	-			
Employment and economic development				7,523	6,636	(887)
Environment and business regulation	1,987	1,594	(393)	1,150	1,143	(7)
Capital outlays	50	26	(24)	12,997	12,752	(245)
<b>Total expenditures</b>	<b>90,626</b>	<b>88,427</b>	<b>(2,199)</b>	<b>242,701</b>	<b>237,894</b>	<b>(4,807)</b>
<b>Excess (deficiency) of revenues (under) expenditures</b>	<b>(5,626)</b>	<b>(5,452)</b>	<b>174</b>	<b>74,174</b>	<b>75,840</b>	<b>1,666</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				-	80,000	80,000
Operating transfers-out	(100)	(100)	-	(340,000)	(340,000)	-
<b>Total other sources (uses) of financial resources</b>	<b>(100)</b>	<b>(100)</b>	<b>-</b>	<b>(340,000)</b>	<b>(260,000)</b>	<b>80,000</b>
<b>(Deficiency) of revenues (under) expenditures, and other sources (uses) of financial resources</b>	<b>(5,726)</b>	<b>(5,552)</b>	<b>174</b>	<b>(265,826)</b>	<b>(184,160)</b>	<b>81,666</b>
Budgetary fund balances, July 1, 2001	58,235	58,235	-	227,522	227,522	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 52,509</b>	<b>\$ 52,683</b>	<b>\$ 174</b>	<b>\$ (38,304)</b>	<b>\$ 43,362</b>	<b>\$ 81,666</b>


Total		
Final Budget	Actual	Variance Over (Under)

\$	401,875	\$	396,709	\$	(5,166)
	401,875		396,709		(5,166)

	211,050	207,382	(3,668)
	70,900	70,900	-
	25,370	23,588	(1,782)
	2,300	2,300	-
	7,523	6,636	(887)
	3,137	2,737	(400)
	13,047	12,778	(269)
	333,327	326,321	(7,006)
	68,548	70,388	1,840

	-	80,000	80,000
	(340,100)	(340,100)	-
	(340,100)	(260,100)	80,000

	(271,552)		(189,712)		81,840
	285,757		285,757		-
\$	14,205	\$	96,045	\$	81,840

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Code Departments**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Central Management Services			Commerce and Community Affairs		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Public utility taxes	\$ 30,000	\$ 27,491	\$ (2,509)	\$ 76,000	\$ 77,115	\$ 1,115
Federal government	23,700	7,349	(16,351)			
Other	1,073,750	1,080,504	6,754	-	2	2
Less:						
Refunds						
<b>Total revenues</b>	<b>1,127,450</b>	<b>1,115,344</b>	<b>(12,106)</b>	<b>76,000</b>	<b>77,117</b>	<b>1,117</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				90,090	74,499	(15,591)
Education				1,354	1,354	-
General government	1,211,247	1,090,127	(121,120)	650	650	-
Transportation				2,243	2,243	-
Public protection and justice				590	590	-
Employment and economic development				141,555	129,743	(11,812)
Environment and business regulation				5,855	5,278	(577)
Capital outlays				495	491	(4)
<b>Total expenditures</b>	<b>1,211,247</b>	<b>1,090,127</b>	<b>(121,120)</b>	<b>242,832</b>	<b>214,848</b>	<b>(27,984)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(83,797)</b>	<b>25,217</b>	<b>109,014</b>	<b>(166,832)</b>	<b>(137,731)</b>	<b>29,101</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				76,563	74,453	(2,110)
Operating transfers-out				(37,855)	(37,855)	-
<b>Total other sources (uses) of financial resources</b>				<b>38,708</b>	<b>36,598</b>	<b>(2,110)</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources</b>	<b>(83,797)</b>	<b>25,217</b>	<b>109,014</b>	<b>(128,124)</b>	<b>(101,133)</b>	<b>26,991</b>
Budgetary fund balances (deficits), July 1, 2001	(41,377)	(41,377)	-	249,761	249,761	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (125,174)</b>	<b>\$ (16,160)</b>	<b>\$ 109,014</b>	<b>\$ 121,637</b>	<b>\$ 148,628</b>	<b>\$ 26,991</b>

Human Services			Public Aid			Revenue		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 1,608,835	\$ 1,608,835	\$ -
						580,148	577,923	(2,225)
						213,163	213,163	-
\$ 63,520	\$ 62,455	\$ (1,065)	\$ 1,196,879	\$ 1,255,959	\$ 59,080			
25,690	27,283	1,593	804,935	794,601	(10,334)	747,764	773,984	26,220
100	9	(91)	4,750	123	(4,627)	1,043,514	1,043,512	(2)
89,110	89,729	619	1,997,064	2,050,437	53,373	2,106,396	2,130,393	23,997
105,790	92,671	(13,119)	2,541,138	2,307,489	(233,649)			
913	913	-	85	85	-	2,066,234	2,045,236	(20,998)
						116,174	109,486	(6,688)
14	5	(9)				96	94	(2)
106,717	93,589	(13,128)	2,541,223	2,307,574	(233,649)	2,182,504	2,154,816	(27,688)
(17,607)	(3,860)	13,747	(544,159)	(257,137)	287,022	(76,108)	(24,423)	51,685
			216,199	306,199	90,000	1,028,691	1,028,691	-
(34)	(34)	-	(65,725)	(65,725)	-	(1,126,538)	(1,126,538)	-
(34)	(34)	-	150,474	240,474	90,000	(97,847)	(97,847)	-
(17,641)	(3,894)	13,747	(393,685)	(16,663)	377,022	(173,955)	(122,270)	51,685
1,124	1,124	-	(83,916)	(83,916)	-	271,100	271,100	-
\$ (16,517)	\$ (2,770)	\$ 13,747	\$ (477,601)	\$ (100,579)	\$ 377,022	\$ 97,145	\$ 148,830	\$ 51,685

(continued)

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Code Departments**

For the Year Ended June 30, 2002 (Expressed in Thousands)

(continued)

	Transportation			Other Code Departments		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes						
Public utility taxes						
Federal government	\$	436,500	\$	510,439	\$	73,939
Other		844,650		873,304		28,654
Less:						
Refunds		900		872		(28)
<b>Total revenues</b>		<b>1,280,250</b>		<b>1,382,871</b>		<b>102,621</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				456,541	430,132	(26,409)
Education						
General government				358,468	281,674	(76,794)
Transportation	\$	317,640	\$	250,747	\$	(66,893)
Public protection and justice				86,200	44,008	(42,192)
Employment and economic development						
Environment and business regulation				29,349	26,966	(2,383)
Capital outlays				1,660	1,497	(163)
<b>Total expenditures</b>		<b>317,640</b>		<b>932,218</b>		<b>(147,941)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>		<b>(317,640)</b>		<b>348,032</b>		<b>250,562</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	262,045	249,374	(12,671)	500	4,502	4,002
Operating transfers-out	(2,711)	(2,711)	-	(558,579)	(558,579)	-
	<b>259,334</b>	<b>246,663</b>	<b>(12,671)</b>	<b>(558,079)</b>	<b>(554,077)</b>	<b>4,002</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources</b>		<b>(58,306)</b>		<b>(210,047)</b>		<b>254,564</b>
Budgetary fund balances (deficits), July 1, 2001	28,854	28,854	-	18,211	18,211	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (29,452)</b>	<b>\$ 24,770</b>	<b>\$ 54,222</b>	<b>\$ (191,836)</b>	<b>\$ 62,728</b>	<b>\$ 254,564</b>

Total		
Final Budget	Actual	Variance Over (Under)

\$	1,608,835	\$	1,608,835	\$	-
	580,148		577,923		(2,225)
	319,163		317,769		(1,394)
	1,720,599		1,836,202		115,603
	3,496,789		3,549,678		52,889
	1,049,264		1,044,516		(4,748)
	6,676,270		6,845,891		169,621

	3,193,559		2,904,791		(288,768)
	1,354		1,354		-
	3,637,597		3,418,685		(218,912)
	319,883		252,990		(66,893)
	86,790		44,598		(42,192)
	257,729		239,229		(18,500)
	35,204		32,244		(2,960)
	2,265		2,087		(178)
	7,534,381		6,895,978		(638,403)

	(858,111)		(50,087)		808,024
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	1,583,998		1,663,219		79,221
	(1,791,442)		(1,791,442)		-
	(207,444)		(128,223)		79,221

	(1,065,555)		(178,310)		887,245
	443,757		443,757		-

\$	(621,798)	\$	265,447	\$	887,245
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**State of Illinois****Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Central Management Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Wireless Service Emergency			Health Insurance Reserve		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Public utility taxes	\$ 30,000	\$ 27,491	\$ (2,509)			
Federal government				\$ 23,700	\$ 7,349	\$ (16,351)
Other				1,073,750	1,080,504	6,754
<b>Total revenues</b>	<b>30,000</b>	<b>27,491</b>	<b>(2,509)</b>	<b>1,097,450</b>	<b>1,087,853</b>	<b>(9,597)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	35,000	28,194	(6,806)	1,176,247	1,061,933	(114,314)
<b>Total expenditures</b>	<b>35,000</b>	<b>28,194</b>	<b>(6,806)</b>	<b>1,176,247</b>	<b>1,061,933</b>	<b>(114,314)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,000)</b>	<b>(703)</b>	<b>4,297</b>	<b>(78,797)</b>	<b>25,920</b>	<b>104,717</b>
Budgetary fund balances (deficits), July 1, 2001	5,349	5,349	-	(46,726)	(46,726)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 349</b>	<b>\$ 4,646</b>	<b>\$ 4,297</b>	<b>\$ (125,523)</b>	<b>\$ (20,806)</b>	<b>\$ 104,717</b>


Total		
Final Budget	Actual	Variance Over (Under)
\$ 30,000	\$ 27,491	\$ (2,509)
23,700	7,349	(16,351)
1,073,750	1,080,504	6,754
1,127,450	1,115,344	(12,106)

1,211,247	1,090,127	(121,120)
1,211,247	1,090,127	(121,120)

(83,797)	25,217	109,014
(41,377)	(41,377)	-
\$ (125,174)	\$ (16,160)	\$ 109,014

*State of Illinois*
**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
 Special State Funds - Department of Commerce and Community Affairs**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Metropolitan Exposition Auditorium and Office Building			Supplemental Low Income Energy		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Public utility taxes				\$ 76,000	\$ 77,115	\$ 1,115
Other						
<b>Total revenues</b>				76,000	77,115	1,115
<b>EXPENDITURES:</b>						
Current:						
Health and social services				90,090	74,499	(15,591)
Education						
General government						
Transportation						
Public protection and justice						
Employment and economic development						
Environment and business regulation						
Capital outlays						
<b>Total expenditures</b>				90,090	74,499	(15,591)
<b>Excess (deficiency) of revenues over (under) expenditures</b>				(14,090)	2,616	16,706
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	\$ 37,923	\$ 37,923	\$ -			
Operating transfers-out	(37,826)	(37,826)	-			
<b>Total other sources (uses) of financial resources</b>	97	97	-			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	97	97	-	(14,090)	2,616	16,706
Budgetary fund balances, July 1, 2001	18,998	18,998	-	12,152	12,152	-
<b>BUDGETARY FUND BALANCES (DEFICIT), JUNE 30, 2002</b>	<b>\$ 19,095</b>	<b>\$ 19,095</b>	<b>\$ -</b>	<b>\$ (1,938)</b>	<b>\$ 14,768</b>	<b>\$ 16,706</b>

Fund for Illinois' Future			Tourism Promotion			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
						\$ 76,000	\$ 77,115	\$ 1,115
			\$ -	\$ 2	\$ 2	-	2	2
			-	2	2	76,000	77,117	1,117

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Department of Human Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Alcoholism and Substance Abuse Block Grant			Mental Health		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 63,520	\$ 62,455	\$ (1,065)	\$ 25,690	\$ 27,283	\$ 1,593
Other						
Less:						
Refunds				100	9	(91)
<b>Total revenues</b>	<b>63,520</b>	<b>62,455</b>	<b>(1,065)</b>	<b>25,590</b>	<b>27,274</b>	<b>1,684</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	74,854	66,474	(8,380)	30,936	26,197	(4,739)
General government	913	913	-			
Capital outlays	14	5	(9)			
<b>Total expenditures</b>	<b>75,781</b>	<b>67,392</b>	<b>(8,389)</b>	<b>30,936</b>	<b>26,197</b>	<b>(4,739)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(12,261)</b>	<b>(4,937)</b>	<b>7,324</b>	<b>(5,346)</b>	<b>1,077</b>	<b>6,423</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(23)	(23)	-	(11)	(11)	-
<b>Total other (uses) of financial resources</b>	<b>(23)</b>	<b>(23)</b>	<b>-</b>	<b>(11)</b>	<b>(11)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources</b>	<b>(12,284)</b>	<b>(4,960)</b>	<b>7,324</b>	<b>(5,357)</b>	<b>1,066</b>	<b>6,423</b>
Budgetary fund balances (deficits), July 1, 2001	1,552	1,552	-	(428)	(428)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (10,732)</b>	<b>\$ (3,408)</b>	<b>\$ 7,324</b>	<b>\$ (5,785)</b>	<b>\$ 638</b>	<b>\$ 6,423</b>

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Total		
Final Budget	Actual	Variance Over (Under)
\$ 63,520	\$ 62,455	\$ (1,065)
25,690	27,283	1,593
100	9	(91)
89,110	89,729	619

105,790	92,671	(13,119)
913	913	-
14	5	(9)
106,717	93,589	(13,128)
(17,607)	(3,860)	13,747

(34)	(34)	-
(34)	(34)	-

(17,641)	(3,894)	13,747
1,124	1,124	-
\$ (16,517)	\$ (2,770)	\$ 13,747

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Department of Public Aid**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	University of Illinois Hospital Services			County Hospital Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 95,800	\$ 105,977	\$ 10,177	\$ 599,485	\$ 599,485	\$ -
Other	71,500	73,169	1,669	593,401	593,401	-
Less:						
Refunds				1,000	-	(1,000)
<b>Total revenues</b>	<b>167,300</b>	<b>179,146</b>	<b>11,846</b>	<b>1,191,886</b>	<b>1,192,886</b>	<b>1,000</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	173,400	153,675	(19,725)	1,230,119	1,229,619	(500)
General government						
<b>Total expenditures</b>	<b>173,400</b>	<b>153,675</b>	<b>(19,725)</b>	<b>1,230,119</b>	<b>1,229,619</b>	<b>(500)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(6,100)</b>	<b>25,471</b>	<b>31,571</b>	<b>(38,233)</b>	<b>(36,733)</b>	<b>1,500</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	44,700	44,700	-			
Operating transfers-out	(65,705)	(65,705)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(21,005)</b>	<b>(21,005)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(27,105)</b>	<b>4,466</b>	<b>31,571</b>	<b>(38,233)</b>	<b>(36,733)</b>	<b>1,500</b>
Budgetary fund balances (deficits), July 1, 2001	(9,516)	(9,516)	-	21,100	21,100	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (36,621)</b>	<b>\$ (5,050)</b>	<b>\$ 31,571</b>	<b>\$ (17,133)</b>	<b>\$ (15,633)</b>	<b>\$ 1,500</b>

Care Provider Fund for Persons with Developmental Disabilities			Long Term Care Provider			Special Education Medicaid Matching		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 16,450	\$ 17,207	\$ 757	\$ 169,414	\$ 214,744	\$ 45,330	\$ 220,000	\$ 222,816	\$ 2,816
17,520	17,845	325	122,228	109,900	(12,328)			
1,000	55	(945)	2,750	68	(2,682)			
32,970	34,997	2,027	288,892	324,576	35,684	220,000	222,816	2,816
36,129	36,086	(43)	531,490	530,494	(996)	370,000	157,669	(212,331)
85	85	-						
36,214	36,171	(43)	531,490	530,494	(996)	370,000	157,669	(212,331)
(3,244)	(1,174)	2,070	(242,598)	(205,918)	36,680	(150,000)	65,147	215,147
(12)	(12)	-	70,000	160,000	90,000			
			(4)	(4)	-	(4)	(4)	-
(12)	(12)	-	69,996	159,996	90,000	(4)	(4)	-
(3,256)	(1,186)	2,070	(172,602)	(45,922)	126,680	(150,004)	65,143	215,147
6,205	6,205	-	(21,439)	(21,439)	-	(80,266)	(80,266)	-
\$ 2,949	\$ 5,019	\$ 2,070	\$ (194,041)	\$ (67,361)	\$ 126,680	\$ (230,270)	\$ (15,123)	\$ 215,147

(continued)



*State of Illinois*
**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Department of Public Aid**

For the Year Ended June 30, 2002 (Expressed in Thousands)

(continued)

	Drug Rebate Fund			Total		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 95,730	\$ 95,730	\$ -	\$ 1,196,879	\$ 1,255,959	\$ 59,080
Other	286	286	-	804,935	794,601	(10,334)
Less:						
Refunds				4,750	123	(4,627)
<b>Total revenues</b>	<b>96,016</b>	<b>96,016</b>	<b>-</b>	<b>1,997,064</b>	<b>2,050,437</b>	<b>53,373</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	200,000	199,946	(54)	2,541,138	2,307,489	(233,649)
General government				85	85	-
<b>Total expenditures</b>	<b>200,000</b>	<b>199,946</b>	<b>(54)</b>	<b>2,541,223</b>	<b>2,307,574</b>	<b>(233,649)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(103,984)</b>	<b>(103,930)</b>	<b>54</b>	<b>(544,159)</b>	<b>(257,137)</b>	<b>287,022</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	101,499	101,499	-	216,199	306,199	90,000
Operating transfers-out				(65,725)	(65,725)	-
	<b>101,499</b>	<b>101,499</b>	<b>-</b>	<b>150,474</b>	<b>240,474</b>	<b>90,000</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(2,485)</b>	<b>(2,431)</b>	<b>54</b>	<b>(393,685)</b>	<b>(16,663)</b>	<b>377,022</b>
Budgetary fund balances (deficits), July 1, 2001				(83,916)	(83,916)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (2,485)</b>	<b>\$ (2,431)</b>	<b>\$ 54</b>	<b>\$ (477,601)</b>	<b>\$ (100,579)</b>	<b>\$ 377,022</b>

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Department of Revenue**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	State Gaming			State and Local Sales Tax Reform		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes						
Sales taxes				\$ 195,864	\$ 195,864	\$ -
Public utility taxes						
Other	\$ 547,300	\$ 580,208	\$ 32,908			
Less:						
Refunds	2	-	(2)			
<b>Total revenues</b>	<b>547,298</b>	<b>580,208</b>	<b>32,910</b>	<b>195,864</b>	<b>195,864</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	143,231	141,842	(1,389)	48,343	41,881	(6,462)
Employment and economic development						
Capital outlays	26	26	-			
<b>Total expenditures</b>	<b>143,257</b>	<b>141,868</b>	<b>(1,389)</b>	<b>48,343</b>	<b>41,881</b>	<b>(6,462)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>404,041</b>	<b>438,340</b>	<b>34,299</b>	<b>147,521</b>	<b>153,983</b>	<b>6,462</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out	(470,004)	(470,004)	-	(149,513)	(149,513)	-
<b>Total other sources (uses) of financial resources</b>	<b>(470,004)</b>	<b>(470,004)</b>	<b>-</b>	<b>(149,513)</b>	<b>(149,513)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(65,963)</b>	<b>(31,664)</b>	<b>34,299</b>	<b>(1,992)</b>	<b>4,470</b>	<b>6,462</b>
Budgetary fund balances July 1, 2001	35,837	35,837	-	31,981	31,981	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (30,126)</b>	<b>\$ 4,173</b>	<b>\$ 34,299</b>	<b>\$ 29,989</b>	<b>\$ 36,451</b>	<b>\$ 6,462</b>

Illinois Sports Facilities			Income Tax Refund			McCormick Place Expansion Project		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 1,027,879	\$ 1,027,879	\$ -			
\$ 32,179	\$ 25,712	\$ (6,467)				\$ 83,995	\$ 83,774	\$ (221)
			1,043,512	1,043,512	-			
32,179	25,712	(6,467)	(15,633)	(15,633)	-	83,995	83,774	(221)
32,179	25,712	(6,467)				83,995	83,774	(221)
32,179	25,712	(6,467)				83,995	83,774	(221)
-	-	-	(15,633)	(15,633)	-	-	-	-
			35,003	35,003	-			
			(28,351)	(28,351)	-			
			6,652	6,652	-			
-	-	-	(8,981)	(8,981)	-	-	-	-
			9,924	9,924	-			
\$ -	\$ -	\$ -	\$ 943	\$ 943	\$ -	\$ -	\$ -	\$ -

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Department of Revenue**

For the Year Ended June 30, 2002 (Expressed in Thousands)

(continued)

	Local Government Distributive			Personal Property Tax Replacement		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Income taxes				\$ 580,956	\$ 580,956	\$ -
Sales taxes	\$ 27,910	\$ 25,685	\$ (2,225)			
Public utility taxes				213,163	213,163	-
Other				1,539	1,539	-
Less:						
Refunds						
<b>Total revenues</b>	<b>27,910</b>	<b>25,685</b>	<b>(2,225)</b>	<b>795,658</b>	<b>795,658</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	987,964	974,966	(12,998)	886,696	886,547	(149)
Employment and economic development						
Capital outlays				70	68	(2)
<b>Total expenditures</b>	<b>987,964</b>	<b>974,966</b>	<b>(12,998)</b>	<b>886,766</b>	<b>886,615</b>	<b>(151)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(960,054)</b>	<b>(949,281)</b>	<b>10,773</b>	<b>(91,108)</b>	<b>(90,957)</b>	<b>151</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	925,330	925,330	-	28,892	28,892	-
Operating transfers-out	(39)	(39)	-	(40)	(40)	-
<b>Total other sources (uses) of financial resources</b>	<b>925,291</b>	<b>925,291</b>	<b>-</b>	<b>28,852</b>	<b>28,852</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(34,763)</b>	<b>(23,990)</b>	<b>10,773</b>	<b>(62,256)</b>	<b>(62,105)</b>	<b>151</b>
Budgetary fund balances July 1, 2001	10,633	10,633	-	182,725	182,725	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (24,130)</b>	<b>\$ (13,357)</b>	<b>\$ 10,773</b>	<b>\$ 120,469</b>	<b>\$ 120,620</b>	<b>\$ 151</b>



*State of Illinois***Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources  
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Department of Transportation**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Public Transportation			Downstate Public Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
Transportation	\$ 276,000	\$ 216,826	\$ (59,174)	\$ 41,640	\$ 33,921	\$ (7,719)
<b>Total expenditures</b>	<b>276,000</b>	<b>216,826</b>	<b>(59,174)</b>	<b>41,640</b>	<b>33,921</b>	<b>(7,719)</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(276,000)</b>	<b>(216,826)</b>	<b>59,174</b>	<b>(41,640)</b>	<b>(33,921)</b>	<b>7,719</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	220,000	208,034	(11,966)	42,045	41,340	(705)
Operating transfers-out	(12)	(12)	-	(2,699)	(2,699)	-
<b>Total other sources (uses) of financial resources</b>	<b>219,988</b>	<b>208,022</b>	<b>(11,966)</b>	<b>39,346</b>	<b>38,641</b>	<b>(705)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(56,012)</b>	<b>(8,804)</b>	<b>47,208</b>	<b>(2,294)</b>	<b>4,720</b>	<b>7,014</b>
Budgetary fund balances, July 1, 2001	8,804	8,804	-	20,050	20,050	-
<b>BUDGETARY FUND BALANCES (DEFICIT), JUNE 30, 2002</b>	<b>\$ (47,208)</b>	<b>\$ -</b>	<b>\$ 47,208</b>	<b>\$ 17,756</b>	<b>\$ 24,770</b>	<b>\$ 7,014</b>

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Total		
Final Budget	Actual	Variance Over (Under)

\$	317,640	\$	250,747	\$	(66,893)
	317,640		250,747		(66,893)

(317,640)	(250,747)	66,893
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262,045	249,374	(12,671)
(2,711)	(2,711)	-
259,334	246,663	(12,671)

(58,306)	(4,084)	54,222
28,854	28,854	-

\$	(29,452)	\$	24,770	\$	54,222
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**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Other Code Departments**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Children and Family Services			Corrections		
	DCFS Children's Services			Corrections Reimbursements		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 415,750	\$ 464,625	\$ 48,875	\$ 12,100	\$ 39,244	\$ 27,144
Other	750	3,983	3,233	17,900	16,788	(1,112)
Less:						
Refunds						
<b>Total revenues</b>	<b>416,500</b>	<b>468,608</b>	<b>52,108</b>	<b>30,000</b>	<b>56,032</b>	<b>26,032</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	456,541	430,132	(26,409)			
General government	1,500	1,497	(3)			
Public protection and justice				86,200	44,008	(42,192)
Environment and business regulation						
Capital outlays						
<b>Total expenditures</b>	<b>458,041</b>	<b>431,629</b>	<b>(26,412)</b>	<b>86,200</b>	<b>44,008</b>	<b>(42,192)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(41,541)</b>	<b>36,979</b>	<b>78,520</b>	<b>(56,200)</b>	<b>12,024</b>	<b>68,224</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				-	1	1
Operating transfers-out	(2,000)	(2,000)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>Excess (deficiency) of revenues over (under) expenditures, and other sources (uses) of financial resources</b>	<b>(43,541)</b>	<b>34,979</b>	<b>78,520</b>	<b>(56,200)</b>	<b>12,025</b>	<b>68,225</b>
Budgetary fund balances (deficits), July 1, 2001	(5,030)	(5,030)	-	19,820	19,820	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (48,571)</b>	<b>\$ 29,949</b>	<b>\$ 78,520</b>	<b>\$ (36,380)</b>	<b>\$ 31,845</b>	<b>\$ 68,225</b>



Lottery			Natural Resources					
State Lottery			Wildlife and Fish			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)

\$	801,000	\$	826,800	\$	25,800	\$	8,650	\$	6,570	\$	(2,080)	\$	436,500	\$	510,439	\$	73,939
							25,000		25,733		733		844,650		873,304		28,654

	50		30		(20)		850		842		(8)		900		872		(28)
	800,950		826,770		25,820		32,800		31,461		(1,339)		1,280,250		1,382,871		102,621

													456,541		430,132		(26,409)
	356,965		280,174		(76,791)		3		3		-		358,468		281,674		(76,794)
							29,349		26,966		(2,383)		86,200		44,008		(42,192)
													29,349		26,966		(2,383)
	513		402		(111)		1,147		1,095		(52)		1,660		1,497		(163)
	357,478		280,576		(76,902)		30,499		28,064		(2,435)		932,218		784,277		(147,941)

	443,472		546,194		102,722		2,301		3,397		1,096		348,032		598,594		250,562
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	500		4,501		4,001								500		4,502		4,002
	(555,179)		(555,179)		-		(1,400)		(1,400)		-		(558,579)		(558,579)		-
	(554,679)		(550,678)		4,001		(1,400)		(1,400)		-		(558,079)		(554,077)		4,002

	(111,207)		(4,484)		106,723		901		1,997		1,096		(210,047)		44,517		254,564
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	(419)		(419)		-		3,840		3,840		-		18,211		18,211		-
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\$	(111,626)	\$	(4,903)	\$	106,723	\$	4,741	\$	5,837	\$	1,096	\$	(191,836)	\$	62,728	\$	254,564
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**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Agencies, Boards and Commissions**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Environmental Protection Agency			Other Agencies, Boards, and Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes	\$ 66,100	\$ 69,647	\$ 3,547			
Public utility taxes				\$ 121,000	\$ 110,426	\$ (10,574)
Federal government	135,000	98,572	(36,428)			
Other	135,150	137,960	2,810	39,200	43,447	4,247
Less:						
Refunds	222	12	(210)			
<b>Total revenues</b>	<b>336,028</b>	<b>306,167</b>	<b>(29,861)</b>	<b>160,200</b>	<b>153,873</b>	<b>(6,327)</b>
<b>EXPENDITURES:</b>						
Current:						
Education				8,877	8,551	(326)
General government	3,500	3,335	(165)	57,550	53,504	(4,046)
Public protection and justice	3,867	2,852	(1,015)			
Employment and economic development				31,631	30,323	(1,308)
Environment and business regulation	358,261	352,403	(5,858)			
Capital outlays	298	259	(39)			
<b>Total expenditures</b>	<b>365,926</b>	<b>358,849</b>	<b>(7,077)</b>	<b>98,058</b>	<b>92,378</b>	<b>(5,680)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(29,898)</b>	<b>(52,682)</b>	<b>(22,784)</b>	<b>62,142</b>	<b>61,495</b>	<b>(647)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues	142,500	159,054	16,554			
Operating transfers-in	30,000	30,000	-	91,631	30,323	(61,308)
Operating transfers-out	(14,494)	(14,494)	-	(97,256)	(97,256)	-
<b>Total other sources (uses) of financial resources</b>	<b>158,006</b>	<b>174,560</b>	<b>16,554</b>	<b>(5,625)</b>	<b>(66,933)</b>	<b>(61,308)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>128,108</b>	<b>121,878</b>	<b>(6,230)</b>	<b>56,517</b>	<b>(5,438)</b>	<b>(61,955)</b>
Budgetary fund balances, July 1, 2001	272,271	272,271	-	64,235	64,235	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 400,379</b>	<b>\$ 394,149</b>	<b>\$ (6,230)</b>	<b>\$ 120,752</b>	<b>\$ 58,797</b>	<b>\$ (61,955)</b>



**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Special State Funds - Environmental Protection Agency**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Underground Storage Tank			Water Revolving		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Motor fuel taxes	\$ 66,100	\$ 69,647	\$ 3,547			
Federal government				\$ 135,000	\$ 98,572	\$ (36,428)
Other	150	171	21	97,500	108,905	11,405
Less:						
Refunds	222	12	(210)			
<b>Total revenues</b>	<b>66,028</b>	<b>69,806</b>	<b>3,778</b>	<b>232,500</b>	<b>207,477</b>	<b>(25,023)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	836	809	(27)	1	1	-
Public protection and justice	3,867	2,852	(1,015)			
Environment and business regulation	58,847	58,347	(500)	242,263	237,976	(4,287)
Capital outlays	197	169	(28)			
<b>Total expenditures</b>	<b>63,747</b>	<b>62,177</b>	<b>(1,570)</b>	<b>242,264</b>	<b>237,977</b>	<b>(4,287)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,281</b>	<b>7,629</b>	<b>5,348</b>	<b>(9,764)</b>	<b>(30,500)</b>	<b>(20,736)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues				142,500	159,054	16,554
Operating transfers-in						
Operating transfers-out	(14,493)	(14,493)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(14,493)</b>	<b>(14,493)</b>	<b>-</b>	<b>142,500</b>	<b>159,054</b>	<b>16,554</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(12,212)</b>	<b>(6,864)</b>	<b>5,348</b>	<b>132,736</b>	<b>128,554</b>	<b>(4,182)</b>
Budgetary fund balances, July 1, 2001	71,526	71,526	-	179,620	179,620	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 59,314</b>	<b>\$ 64,662</b>	<b>\$ 5,348</b>	<b>\$ 312,356</b>	<b>\$ 308,174</b>	<b>\$ (4,182)</b>

Vehicle Inspection			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 66,100	\$ 69,647	\$ 3,547
			135,000	98,572	(36,428)
\$ 37,500	\$ 28,884	\$ (8,616)	135,150	137,960	2,810
			222	12	(210)
37,500	28,884	(8,616)	336,028	306,167	(29,861)
2,663	2,525	(138)	3,500	3,335	(165)
			3,867	2,852	(1,015)
57,151	56,080	(1,071)	358,261	352,403	(5,858)
101	90	(11)	298	259	(39)
59,915	58,695	(1,220)	365,926	358,849	(7,077)
(22,415)	(29,811)	(7,396)	(29,898)	(52,682)	(22,784)
30,000	30,000	-	142,500	159,054	16,554
(1)	(1)	-	30,000	30,000	-
29,999	29,999	-	(14,494)	(14,494)	-
7,584	188	(7,396)	158,006	174,560	16,554
21,125	21,125	-	128,108	121,878	(6,230)
\$ 28,709	\$ 21,313	\$ (7,396)	272,271	272,271	-
			\$ 400,379	\$ 394,149	\$ (6,230)

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Special State Funds - Other Agencies, Boards and Commissions**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Housing Development Authority			Capital Development Board		
	Illinois Affordable Housing			School Infrastructure		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Public utility taxes				\$ 121,000	\$ 110,426	\$ (10,574)
Other	\$ 39,200	\$ 43,447	\$ 4,247			
<b>Total revenues</b>	<b>39,200</b>	<b>43,447</b>	<b>4,247</b>	<b>121,000</b>	<b>110,426</b>	<b>(10,574)</b>
<b>EXPENDITURES:</b>						
Current:						
Education				8,877	8,551	(326)
General government	56,950	52,924	(4,026)	600	580	(20)
Employment and economic development						
<b>Total expenditures</b>	<b>56,950</b>	<b>52,924</b>	<b>(4,026)</b>	<b>9,477</b>	<b>9,131</b>	<b>(346)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(17,750)</b>	<b>(9,477)</b>	<b>8,273</b>	<b>111,523</b>	<b>101,295</b>	<b>(10,228)</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				60,000	-	(60,000)
Operating transfers-out	(1)	(1)	-	(97,255)	(97,255)	-
<b>Total other sources (uses) of financial resources</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>	<b>(37,255)</b>	<b>(97,255)</b>	<b>(60,000)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(17,751)</b>	<b>(9,478)</b>	<b>8,273</b>	<b>74,268</b>	<b>4,040</b>	<b>(70,228)</b>
Budgetary fund balances, July 1, 2001	23,554	23,554	-	40,681	40,681	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 5,803</b>	<b>\$ 14,076</b>	<b>\$ 8,273</b>	<b>\$ 114,949</b>	<b>\$ 44,721</b>	<b>\$ (70,228)</b>

Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
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				8,877	8,551	(326)		
				57,550	53,504	(4,046)		
\$	31,631	\$	30,323	\$	(1,308)	31,631	30,323	(1,308)
	31,631		30,323		(1,308)	98,058	92,378	(5,680)

31,631	30,323	(1,308)	91,631	30,323	(61,308)
			(97,256)	(97,256)	-
31,631	30,323	(1,308)	(5,625)	(66,933)	(61,308)

	-	-	-	56,517	(5,438)	(61,955)
				64,235	64,235	-
\$ - \$ - \$ - \$	120,752	\$ 58,797	\$ (61,955)			

**State of Illinois**

**Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources and  
Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Bond Financed Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Commerce and Community Affairs Build Illinois Bond			Transportation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
Education	\$ 1,967	\$ 1,967	\$ -			
General government	27,408	27,404	(4)			
Transportation	5,553	5,553	-	\$ 457,271	\$ 457,271	\$ -
Public protection and justice						
Employment and economic development	156,280	156,141	(139)			
Environment and business regulation	12,980	11,422	(1,558)			
Debt service:						
Principal	271,519	271,503	(16)			
Capital outlays	11,523	11,263	(260)			
<b>Total expenditures</b>	<b>487,230</b>	<b>485,253</b>	<b>(1,977)</b>	<b>457,271</b>	<b>457,271</b>	<b>-</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(487,230)</b>	<b>(485,253)</b>	<b>1,977</b>	<b>(457,271)</b>	<b>(457,271)</b>	<b>-</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general obligation bond issues	200,000	431,514	231,514	420,000	449,707	29,707
Operating transfers-in						
Operating transfers-out						
<b>Total other sources (uses) of financial resources</b>	<b>200,000</b>	<b>431,514</b>	<b>231,514</b>	<b>420,000</b>	<b>449,707</b>	<b>29,707</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(287,230)</b>	<b>(53,739)</b>	<b>233,491</b>	<b>(37,271)</b>	<b>(7,564)</b>	<b>29,707</b>
Budgetary fund balances, July 1, 2001	170,464	170,464	-	93,221	93,221	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (116,766)</b>	<b>\$ 116,725</b>	<b>\$ 233,491</b>	<b>\$ 55,950</b>	<b>\$ 85,657</b>	<b>\$ 29,707</b>



Capital Development Board			Environmental Protection Agency			Other		
			Anti-Pollution					
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 366,412	\$ 366,412	\$ -						
349,186	348,934	(252)						
460	460	-						
485	485	-						
76,744	76,534	(210)				\$ 7,028	\$ 7,024	\$ (4)
32,166	32,119	(47)	\$ 29,000	\$ 29,000	\$ -			
483,471	400,521	(82,950)				4,800	4,800	-
1,308,924	1,225,465	(83,459)	29,000	29,000	-	11,828	11,824	(4)
(1,308,924)	(1,225,465)	83,459	(29,000)	(29,000)	-	(11,828)	(11,824)	4
1,050,000	1,063,737	13,737	20,000	31,170	11,170	10,000	5,202	(4,798)
-	30,000	30,000						
(30,000)	(30,000)	-						
1,020,000	1,063,737	43,737	20,000	31,170	11,170	10,000	5,202	(4,798)
(288,924)	(161,728)	127,196	(9,000)	2,170	11,170	(1,828)	(6,622)	(4,794)
219,966	219,966	-	2,408	2,408	-	6,799	6,799	-
\$ (68,958)	\$ 58,238	\$ 127,196	\$ (6,592)	\$ 4,578	\$ 11,170	\$ 4,971	\$ 177	\$ (4,794)

*State of Illinois*
**Combining Schedule of Expenditures, Other Sources and Uses of Financial  
Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Bond Financed Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Total		
	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>			
Current:			
Education	\$ 368,379	\$ 368,379	\$ -
General government	376,594	376,338	(256)
Transportation	463,284	463,284	-
Public protection and justice	485	485	-
Employment and economic development	240,052	239,699	(353)
Environment and business regulation	74,146	72,541	(1,605)
Debt service:			
Principal	271,519	271,503	(16)
Capital outlays	499,794	416,584	(83,210)
<b>Total expenditures</b>	<b>2,294,253</b>	<b>2,208,813</b>	<b>(85,440)</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(2,294,253)</b>	<b>(2,208,813)</b>	<b>85,440</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>			
Proceeds from general obligation bond issues	1,700,000	1,981,330	281,330
Operating transfers-in	-	30,000	30,000
Operating transfers-out	(30,000)	(30,000)	-
<b>Total other sources (uses) of financial resources</b>	<b>1,670,000</b>	<b>1,981,330</b>	<b>311,330</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(624,253)</b>	<b>(227,483)</b>	<b>396,770</b>
Budgetary fund balances, July 1, 2001	492,858	492,858	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (131,395)</b>	<b>\$ 265,375</b>	<b>\$ 396,770</b>

**State of Illinois**
**Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources  
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Bond Financed Funds - Department of Transportation**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Transportation Bond Series A			Transportation Bond Series B		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
Transportation	\$ 308,047	\$ 308,047	\$ -	\$ 149,224	\$ 149,224	\$ -
<b>Total expenditures</b>	<b>308,047</b>	<b>308,047</b>	<b>-</b>	<b>149,224</b>	<b>149,224</b>	<b>-</b>
 (Deficiency) of revenues (under) expenditures	 (308,047)	 (308,047)	 -	 (149,224)	 (149,224)	 -
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>						
Proceeds from general obligation bond issues	295,000	295,041	41	125,000	154,666	29,666
<b>Total other sources of financial resources</b>	<b>295,000</b>	<b>295,041</b>	<b>41</b>	<b>125,000</b>	<b>154,666</b>	<b>29,666</b>
 Excess (deficiency) of revenues over (under) expenditures and other sources of financial resources	 (13,047)	 (13,006)	 41	 (24,224)	 5,442	 29,666
Budgetary fund balances, July 1, 2001	56,623	56,623	-	36,598	36,598	-
 <b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	 <b>\$ 43,576</b>	 <b>\$ 43,617</b>	 <b>\$ 41</b>	 <b>\$ 12,374</b>	 <b>\$ 42,040</b>	 <b>\$ 29,666</b>


	Total	
Final		Variance
Budget	Actual	Over (Under)

\$	457,271	\$	457,271	\$	-
	457,271		457,271		-

(457,271)	(457,271)	-
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420,000	449,707	29,707
420,000	449,707	29,707

	(37,271)		(7,564)		29,707
	93,221		93,221		-
\$	55,950	\$	85,657	\$	29,707

**State of Illinois**

**Combining Schedule of Expenditures, Other Sources and Uses of Financial Resources  
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Bond Financed Funds - Capital Development Board**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Capital Development			School Construction		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>EXPENDITURES:</b>						
Current:						
Education	\$ 50,079	\$ 50,079	\$ -	\$ 316,333	\$ 316,333	\$ -
General government	18,147	17,895	(252)	331,039	331,039	-
Transportation	460	460	-			
Public protection and justice	485	485	-			
Employment and economic development	76,744	76,534	(210)			
Environment and business regulation	32,166	32,119	(47)			
Capital outlays	483,471	400,521	(82,950)			
<b>Total expenditures</b>	<b>661,552</b>	<b>578,093</b>	<b>(83,459)</b>	<b>647,372</b>	<b>647,372</b>	<b>-</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(661,552)</b>	<b>(578,093)</b>	<b>83,459</b>	<b>(647,372)</b>	<b>(647,372)</b>	<b>-</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Proceeds from general obligation bond issues	600,000	536,843	(63,157)	450,000	526,894	76,894
Operating transfers-in				-	30,000	30,000
Operating transfers-out	(30,000)	(30,000)	-			
<b>Total other sources (uses) of financial resources</b>	<b>570,000</b>	<b>506,843</b>	<b>(63,157)</b>	<b>450,000</b>	<b>556,894</b>	<b>106,894</b>
<b>(Deficiency) of revenues (under) expenditures and other sources (uses) of financial resources</b>	<b>(91,552)</b>	<b>(71,250)</b>	<b>20,302</b>	<b>(197,372)</b>	<b>(90,478)</b>	<b>106,894</b>
Budgetary fund balances, July 1, 2001	128,907	128,907	-	91,059	91,059	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ 37,355</b>	<b>\$ 57,657</b>	<b>\$ 20,302</b>	<b>\$ (106,313)</b>	<b>\$ 581</b>	<b>\$ 106,894</b>


Total		
Final		Variance
Budget	Actual	Over (Under)

\$	366,412	\$	366,412	\$	-
	349,186		348,934		(252)
	460		460		-
	485		485		-
	76,744		76,534		(210)
	32,166		32,119		(47)
	483,471		400,521		(82,950)
	1,308,924		1,225,465		(83,459)

(1,308,924)	(1,225,465)	83,459
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1,050,000	1,063,737	13,737
-	30,000	30,000
(30,000)	(30,000)	-
1,020,000	1,063,737	43,737

(288,924)	(161,728)	127,196
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219,966	219,966	-
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\$	(68,958)	\$	58,238	\$	127,196
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*State of Illinois***Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Debt Service Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Build Illinois Bond, Retirement and Interest			General Obligations Bond, Retirement and Interest		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government				\$ 340	\$ 30	\$ (310)
Other	\$ 100	\$ 106	\$ 6	23,628	19,333	(4,295)
<b>Total revenues</b>	<b>100</b>	<b>106</b>	<b>6</b>	<b>23,968</b>	<b>19,363</b>	<b>(4,605)</b>
<b>EXPENDITURES:</b>						
Current:						
Debt service:						
Principal	265,000	244,003	(20,997)	898,277	894,417	(3,860)
Interest				400,210	382,635	(17,575)
<b>Total expenditures</b>	<b>265,000</b>	<b>244,003</b>	<b>(20,997)</b>	<b>1,298,487</b>	<b>1,277,052</b>	<b>(21,435)</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(264,900)</b>	<b>(243,897)</b>	<b>21,003</b>	<b>(1,274,519)</b>	<b>(1,257,689)</b>	<b>16,830</b>
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>						
Proceeds from general and special obligation bond issues				425,565	425,565	-
Operating transfers-in	265,150	244,004	(21,146)	854,402	891,022	36,620
<b>Total other sources of financial resources</b>	<b>265,150</b>	<b>244,004</b>	<b>(21,146)</b>	<b>1,279,967</b>	<b>1,316,587</b>	<b>36,620</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources of financial resources</b>	<b>250</b>	<b>107</b>	<b>(143)</b>	<b>5,448</b>	<b>58,898</b>	<b>53,450</b>
Budgetary fund balances, July 1, 2001	2,011	2,011	-	417,258	417,258	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 2,261</b>	<b>\$ 2,118</b>	<b>\$ (143)</b>	<b>\$ 422,706</b>	<b>\$ 476,156</b>	<b>\$ 53,450</b>

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)

			\$	340	\$	30	\$	(310)
\$	520	\$	119	\$	(401)	24,248	19,558	(4,690)
	520		119		(401)	24,588	19,588	(5,000)

	14,919		13,879		(1,040)		1,178,196	1,152,299	(25,897)
							400,210	382,635	(17,575)
	14,919		13,879		(1,040)		1,578,406	1,534,934	(43,472)
	(14,399)		(13,760)		639		(1,553,818)	(1,515,346)	38,472
							425,565	425,565	-
	13,990		5,826		(8,164)		1,133,542	1,140,852	7,310
	13,990		5,826		(8,164)		1,559,107	1,566,417	7,310

	(409)	(7,934)	(7,525)	5,289	51,071	45,782					
	17,011	17,011	-	436,280	436,280	-					
\$	16,602	\$	9,077	\$	(7,525)	\$	441,569	\$	487,351	\$	45,782



**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Code Departments			Agencies, Boards & Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 1,093,175	\$ 1,254,042	\$ 160,867	\$ 1,382,125	\$ 1,324,049	\$ (58,076)
Other	88,850	101,445	12,595	200	480	280
Less:						
Refunds	2,310	90	(2,220)			
<b>Total revenues</b>	<b>1,179,715</b>	<b>1,355,397</b>	<b>175,682</b>	<b>1,382,325</b>	<b>1,324,529</b>	<b>(57,796)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	1,041,555	804,584	(236,971)			
Education				1,599,014	1,282,137	(316,877)
General government	937	920	(17)	474	474	-
Transportation	145,640	145,640	-			
Public protection and justice				99,739	57,025	(42,714)
Employment and economic development	774,173	403,838	(370,335)			
Environment and business regulation				47,658	34,017	(13,641)
Capital outlays	10,211	4,304	(5,907)	2,102	1,087	(1,015)
<b>Total expenditures</b>	<b>1,972,516</b>	<b>1,359,286</b>	<b>(613,230)</b>	<b>1,748,987</b>	<b>1,374,740</b>	<b>(374,247)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(792,801)</b>	<b>(3,889)</b>	<b>788,912</b>	<b>(366,662)</b>	<b>(50,211)</b>	<b>316,451</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	-	19,222	19,222			
Operating transfers-out	(1,266)	(1,266)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(1,266)</b>	<b>17,956</b>	<b>19,222</b>			
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(8,179)</b>	<b>(8,179)</b>	<b>-</b>	<b>(1,737)</b>	<b>(1,737)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(802,246)</b>	<b>5,888</b>	<b>808,134</b>	<b>(368,399)</b>	<b>(51,948)</b>	<b>316,451</b>
Budgetary fund balances (deficits), July 1, 2001, as previously reported	(23,448)	(23,448)	-	(78,471)	(78,471)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (825,694)</b>	<b>\$ (17,560)</b>	<b>\$ 808,134</b>	<b>\$ (446,870)</b>	<b>\$ (130,419)</b>	<b>\$ 316,451</b>

Illinois Student Assistance Commission			Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 83,565	\$ 67,072	\$ (16,493)	\$ 238,149	\$ 207,684	\$ (30,465)	\$ 2,797,014	\$ 2,852,847	\$ 55,833
37,425	96,538	59,113	20,077	21,669	1,592	146,552	220,132	73,580
1,600	683	(917)	975	453	(522)	4,885	1,226	(3,659)
119,390	162,927	43,537	257,251	228,900	(28,351)	2,938,681	3,071,753	133,072
			148,477	73,624	(74,853)	1,190,032	878,208	(311,824)
291,728	175,186	(116,542)	44,167	22,254	(21,913)	1,934,909	1,479,577	(455,332)
			13,014	8,632	(4,382)	14,425	10,026	(4,399)
			12,549	12,549	-	158,189	158,189	-
			191,371	42,683	(148,688)	291,110	99,708	(191,402)
			64,258	40,711	(23,547)	838,431	444,549	(393,882)
			28,468	21,904	(6,564)	76,126	55,921	(20,205)
500	326	(174)	1,365	510	(855)	14,178	6,227	(7,951)
292,228	175,512	(116,716)	503,669	222,867	(280,802)	4,517,400	3,132,405	(1,384,995)
(172,838)	(12,585)	160,253	(246,418)	6,033	252,451	(1,578,719)	(60,652)	1,518,067
			8,931	806	(8,125)	8,931	20,028	11,097
(27)	(27)	-	(740)	(740)	-	(2,033)	(2,033)	-
(27)	(27)	-	8,191	66	(8,125)	6,898	17,995	11,097
			(1,659)	(1,659)	-	(11,575)	(11,575)	-
(172,865)	(12,612)	160,253	(239,886)	4,440	244,326	(1,583,396)	(54,232)	1,529,164
77,172	77,172	-	40,005	40,005	-	15,258	15,258	-
\$ (95,693)	\$ 64,560	\$ 160,253	\$ (199,881)	\$ 44,445	\$ 244,326	\$ (1,568,138)	\$ (38,974)	\$ 1,529,164

*State of Illinois*

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - Code Departments**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Commerce and Community Affairs			Human Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 153,330	\$ 174,728	\$ 21,398	\$ 465,180	\$ 494,461	\$ 29,281
Other	150	61	(89)	45,700	70,239	24,539
Less:						
Refunds	1,070	13	(1,057)	215	-	(215)
<b>Total revenues</b>	<b>152,410</b>	<b>174,776</b>	<b>22,366</b>	<b>510,665</b>	<b>564,700</b>	<b>54,035</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	200,000	105,053	(94,947)	702,149	576,552	(125,597)
General government				321	318	(3)
Transportation						
Employment and economic development	212,199	70,492	(141,707)			
Capital outlays	47	39	(8)	4,646	1,619	(3,027)
<b>Total expenditures</b>	<b>412,246</b>	<b>175,584</b>	<b>(236,662)</b>	<b>707,116</b>	<b>578,489</b>	<b>(128,627)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(259,836)</b>	<b>(808)</b>	<b>259,028</b>	<b>(196,451)</b>	<b>(13,789)</b>	<b>182,662</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				-	19,222	19,222
Operating transfers-out	(66)	(66)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(66)</b>	<b>(66)</b>	<b>-</b>	<b>-</b>	<b>19,222</b>	<b>19,222</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(4,182)</b>	<b>(4,182)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(259,902)</b>	<b>(874)</b>	<b>259,028</b>	<b>(200,633)</b>	<b>1,251</b>	<b>201,884</b>
Budgetary fund balances (deficits), July 1, 2001	(10,795)	(10,795)	-	(14,901)	(14,901)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (270,697)</b>	<b>\$ (11,669)</b>	<b>\$ 259,028</b>	<b>\$ (215,534)</b>	<b>\$ (13,650)</b>	<b>\$ 201,884</b>

Other Code Departments			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)

139,406	122,979	(16,427)	1,041,555	804,584	(236,971)
616	602	(14)	937	920	(17)
145,640	145,640	-	145,640	145,640	-
561,974	333,346	(228,628)	774,173	403,838	(370,335)
5,518	2,646	(2,872)	10,211	4,304	(5,907)
853,154	605,213	(247,941)	1,972,516	1,359,286	(613,230)

-	-	19,222	19,222
(1,200)	(1,200)	(1,266)	-
(1,200)	(1,200)	(1,266)	17,956
(3,997)	(3,997)	(8,179)	-

	2,248		2,248		-		(23,448)		(23,448)		-
\$	(339,463)	\$	7,759	\$	347,222	\$	(825,694)	\$	(17,560)	\$	808,134

\$	(339,463)	\$	7,759	\$	347,222	\$	(825,694)	\$	(17,560)	\$	808,134
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**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources  
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - Department of Commerce and Community Affairs**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Low Income Home Energy Assistance Block Grant			Community Services Block Grant		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 81,995	\$ 104,001	\$ 22,006	\$ 25,000	\$ 32,338	\$ 7,338
Other						
Less:						
Refunds	600	7	(593)	170	2	(168)
<b>Total revenues</b>	<b>81,395</b>	<b>103,994</b>	<b>22,599</b>	<b>24,830</b>	<b>32,336</b>	<b>7,506</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	200,000	105,053	(94,947)			
Employment and economic development	3,182	1,988	(1,194)	45,984	30,653	(15,331)
Capital outlays	20	19	(1)	13	8	(5)
<b>Total expenditures</b>	<b>203,202</b>	<b>107,060</b>	<b>(96,142)</b>	<b>45,997</b>	<b>30,661</b>	<b>(15,336)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(121,807)</b>	<b>(3,066)</b>	<b>118,741</b>	<b>(21,167)</b>	<b>1,675</b>	<b>22,842</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(8)	(8)	-			
<b>Total other (uses) of financial resources</b>	<b>(8)</b>	<b>(8)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and other (uses) of financial resources</b>	<b>(121,815)</b>	<b>(3,074)</b>	<b>118,741</b>	<b>(21,167)</b>	<b>1,675</b>	<b>22,842</b>
Budgetary fund (deficits), July 1, 2001	(3,309)	(3,309)	-	(3,945)	(3,945)	-
<b>BUDGETARY FUND (DEFICITS), JUNE 30, 2002</b>	<b>\$ (125,124)</b>	<b>\$ (6,383)</b>	<b>\$ 118,741</b>	<b>\$ (25,112)</b>	<b>\$ (2,270)</b>	<b>\$ 22,842</b>

Community Development/ Small Cities Block Grant			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 46,335	\$ 38,389	\$ (7,946)	\$ 153,330	\$ 174,728	\$ 21,398
150	61	(89)	150	61	(89)
300	4	(296)	1,070	13	(1,057)
46,185	38,446	(7,739)	152,410	174,776	22,366

			200,000	105,053	(94,947)
163,033	37,851	(125,182)	212,199	70,492	(141,707)
14	12	(2)	47	39	(8)
163,047	37,863	(125,184)	412,246	175,584	(236,662)

(116,862)	583	117,445	(259,836)	(808)	259,028
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(58)	(58)	-	(66)	(66)	-
(58)	(58)	-	(66)	(66)	-

(116,920)	525	117,445	(259,902)	(874)	259,028
(3,541)	(3,541)	-	(10,795)	(10,795)	-
\$ (120,461)	\$ (3,016)	\$ 117,445	\$ (270,697)	\$ (11,669)	\$ 259,028

*State of Illinois*

**Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources  
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - Department of Human Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Vocational Rehabilitation			DHS Special Purpose Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 104,500	\$ 109,949	\$ 5,449	\$ 123,180	\$ 145,939	\$ 22,759
Other	700	478	(222)	-	1,175	1,175
Less:						
Refunds	5	-	(5)			
<b>Total revenues</b>	<b>105,195</b>	<b>110,427</b>	<b>5,232</b>	<b>123,180</b>	<b>147,114</b>	<b>23,934</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	127,250	109,904	(17,346)	239,654	161,750	(77,904)
General government	173	170	(3)	81	81	-
Capital outlays	2,534	1,462	(1,072)	13	7	(6)
<b>Total expenditures</b>	<b>129,957</b>	<b>111,536</b>	<b>(18,421)</b>	<b>239,748</b>	<b>161,838</b>	<b>(77,910)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(24,762)</b>	<b>(1,109)</b>	<b>23,653</b>	<b>(116,568)</b>	<b>(14,724)</b>	<b>101,844</b>
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				-	19,222	19,222
<b>Total other sources of financial resources</b>				<b>-</b>	<b>19,222</b>	<b>19,222</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(451)</b>	<b>(451)</b>	<b>-</b>	<b>(3,731)</b>	<b>(3,731)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(25,213)</b>	<b>(1,560)</b>	<b>23,653</b>	<b>(120,299)</b>	<b>767</b>	<b>121,066</b>
Budgetary fund balances (deficits), July 1, 2001	(412)	(412)	-	5,218	5,218	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (25,625)</b>	<b>\$ (1,972)</b>	<b>\$ 23,653</b>	<b>\$ (115,081)</b>	<b>\$ 5,985</b>	<b>\$ 121,066</b>

Old Age Survivors Insurance						USDA Women, Infants & Children			Maternal and Child Health Services Block Grant								
Final Budget		Actual	Variance Over (Under)	Final Budget		Actual	Variance Over (Under)	Final Budget		Actual	Variance Over (Under)						
\$	54,000	\$	57,289	\$	3,289	\$	163,500	\$	159,984	\$	(3,516)	\$	20,000	\$	21,300	\$	1,300
	-		106		106		45,000		68,480		23,480						
					200		-		(200)		10		-		(10)		
	54,000		57,395		3,395		208,300		228,464		20,164		19,990		21,300		1,310
	74,805		57,255		(17,550)		227,715		222,344		(5,371)		32,725		25,299		(7,426)
	17		17		-		26		26		-		24		24		-
	1,820		122		(1,698)		279		28		(251)						
	76,642		57,394		(19,248)		228,020		222,398		(5,622)		32,749		25,323		(7,426)
	(22,642)		1		22,643		(19,720)		6,066		25,786		(12,759)		(4,023)		8,736
	(22,642)		1		22,643		(19,720)		6,066		25,786		(12,759)		(4,023)		8,736
	(2,680)		(2,680)		-		(12,973)		(12,973)		-		(4,054)		(4,054)		-
\$	(25,322)	\$	(2,679)	\$	22,643	\$	(32,693)	\$	(6,907)	\$	25,786	\$	(16,813)	\$	(8,077)	\$	8,736



*State of Illinois*
**Combining Schedule of Revenues, Expenditures, Other Sources of Financial Resources  
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - Department of Human Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

(continued)

	Total		
	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>			
Federal government	\$ 465,180	\$ 494,461	\$ 29,281
Other	45,700	70,239	24,539
Less:			
Refunds	215	-	(215)
<b>Total revenues</b>	<b>510,665</b>	<b>564,700</b>	<b>54,035</b>
<b>EXPENDITURES:</b>			
Current:			
Health and social services	702,149	576,552	(125,597)
General government	321	318	(3)
Capital outlays	4,646	1,619	(3,027)
<b>Total expenditures</b>	<b>707,116</b>	<b>578,489</b>	<b>(128,627)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(196,451)</b>	<b>(13,789)</b>	<b>182,662</b>
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>			
Operating transfers-in	-	19,222	19,222
<b>Total other sources of financial resources</b>	<b>-</b>	<b>19,222</b>	<b>19,222</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(4,182)</b>	<b>(4,182)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(200,633)</b>	<b>1,251</b>	<b>201,884</b>
Budgetary fund balances (deficits), July 1, 2001	(14,901)	(14,901)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (215,534)</b>	<b>\$ (13,650)</b>	<b>\$ 201,884</b>

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - Other Code Departments**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Employment Security			Transportation		
	Title III Social Security & Employment Service			Federal/Local Airport		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 270,000	\$ 325,453	\$ 55,453	\$ 105,000	\$ 133,807	\$ 28,807
Other	8,000	16,653	8,653	35,000	11,634	(23,366)
Less:						
Refunds	950	15	(935)			
<b>Total revenues</b>	<b>277,050</b>	<b>342,091</b>	<b>65,041</b>	<b>140,000</b>	<b>145,441</b>	<b>5,441</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services						
General government	401	387	(14)			
Transportation				145,640	145,640	-
Employment and economic development	561,974	333,346	(228,628)			
Capital outlays	4,155	1,838	(2,317)			
<b>Total expenditures</b>	<b>566,530</b>	<b>335,571</b>	<b>(230,959)</b>	<b>145,640</b>	<b>145,640</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(289,480)</b>	<b>6,520</b>	<b>296,000</b>	<b>(5,640)</b>	<b>(199)</b>	<b>5,441</b>
<b>OTHER SOURCES OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out	(1,200)	(1,200)	-			
<b>TOTAL SOURCES OF FINANCIAL RESOURCES</b>	<b>(1,200)</b>	<b>(1,200)</b>	<b>-</b>			
<b>Budgetary funds-nonbudgeted accounts</b>						
<b>Excess (deficiency) of revenues over (under) expenditures, other sources of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(290,680)</b>	<b>5,320</b>	<b>296,000</b>	<b>(5,640)</b>	<b>(199)</b>	<b>5,441</b>
Budgetary fund balances (deficits), July 1, 2001	9,340	9,340	-	3,135	3,135	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (281,340)</b>	<b>\$ 14,660</b>	<b>\$ 296,000</b>	<b>\$ (2,505)</b>	<b>\$ 2,936</b>	<b>\$ 5,441</b>

Aging Services for Older Americans			Public Health Public Health Services			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 47,565	\$ 60,517	\$ 12,952	\$ 52,100	\$ 65,076	\$ 12,976	\$ 474,665	\$ 584,853	\$ 110,188
			-	2,858	2,858	43,000	31,145	(11,855)
			75	62	(13)	1,025	77	(948)
47,565	60,517	12,952	52,025	67,872	15,847	516,640	615,921	99,281
60,800	57,342	(3,458)	78,606	65,637	(12,969)	139,406	122,979	(16,427)
			215	215	-	616	602	(14)
						145,640	145,640	-
						561,974	333,346	(228,628)
11	5	(6)	1,352	803	(549)	5,518	2,646	(2,872)
60,811	57,347	(3,464)	80,173	66,655	(13,518)	853,154	605,213	(247,941)
(13,246)	3,170	16,416	(28,148)	1,217	29,365	(336,514)	10,708	347,222
						(1,200)	(1,200)	-
						(1,200)	(1,200)	-
(264)	(264)	-	(3,733)	(3,733)	-	(3,997)	(3,997)	-
(13,510)	2,906	16,416	(31,881)	(2,516)	29,365	(341,711)	5,511	347,222
(9,055)	(9,055)	-	(1,172)	(1,172)	-	2,248	2,248	-
\$ (22,565)	\$ (6,149)	\$ 16,416	\$ (33,053)	\$ (3,688)	\$ 29,365	\$ (339,463)	\$ 7,759	\$ 347,222

**State of Illinois**

**Combining Schedule of Revenues, Expenditures and Changes  
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - Agencies, Boards and Commissions**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	State Board of Education			Environmental Protection Agency U. S. Environmental Protection		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 1,308,875	\$ 1,229,893	\$ (78,982)	\$ 28,250	\$ 32,439	\$ 4,189
Other	-	9	9	200	431	231
<b>Total revenues</b>	<b>1,308,875</b>	<b>1,229,902</b>	<b>(78,973)</b>	<b>28,450</b>	<b>32,870</b>	<b>4,420</b>
<b>EXPENDITURES:</b>						
Current:						
Education	1,599,014	1,282,137	(316,877)			
General government	20	20	-	9	9	-
Public protection and justice						
Environment and business regulation				47,658	34,017	(13,641)
Capital outlays	791	400	(391)	1,311	687	(624)
<b>Total expenditures</b>	<b>1,599,825</b>	<b>1,282,557</b>	<b>(317,268)</b>	<b>48,978</b>	<b>34,713</b>	<b>(14,265)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(290,950)</b>	<b>(52,655)</b>	<b>238,295</b>	<b>(20,528)</b>	<b>(1,843)</b>	<b>18,685</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(1,737)</b>	<b>(1,737)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds-nonbudgeted accounts</b>	<b>(292,687)</b>	<b>(54,392)</b>	<b>238,295</b>	<b>(20,528)</b>	<b>(1,843)</b>	<b>18,685</b>
Budgetary fund balances (deficits), July 1, 2001	(77,604)	(77,604)	-	1,615	1,615	-
<b>BUDGETARY FUND BALANCE (DEFICITS), JUNE 30, 2002</b>	<b>\$ (370,291)</b>	<b>\$ (131,996)</b>	<b>\$ 238,295</b>	<b>\$ (18,913)</b>	<b>\$ (228)</b>	<b>\$ 18,685</b>

Criminal Justice Information Authority					
Criminal Justice Trust			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 45,000	\$ 61,717	\$ 16,717	\$ 1,382,125	\$ 1,324,049	\$ (58,076)
-	40	40	200	480	280
45,000	61,757	16,757	1,382,325	1,324,529	(57,796)

(55,184)	4,287	59,471	(368,399)	(51,948)	316,451
(2,482)	(2,482)	-	(78,471)	(78,471)	-
\$ (57,666)	\$ 1,805	\$ 59,471	\$ (446,870)	\$ (130,419)	\$ 316,451

*State of Illinois***Combining Schedule of Revenues, Expenditures and Changes  
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - State Board of Education**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	S.B.E. Federal Department of Agriculture			S.B.E. Federal Department of Education		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 373,875	\$ 368,309	\$ (5,566)	\$ 935,000	\$ 861,584	\$ (73,416)
Other				-	9	9
<b>Total revenues</b>	<b>373,875</b>	<b>368,309</b>	<b>(5,566)</b>	<b>935,000</b>	<b>861,593</b>	<b>(73,407)</b>
<b>EXPENDITURES:</b>						
Current:						
Education	411,612	384,010	(27,602)	1,187,402	898,127	(289,275)
General government	7	7	-	13	13	-
Capital outlays	276	147	(129)	515	253	(262)
<b>Total expenditures</b>	<b>411,895</b>	<b>384,164</b>	<b>(27,731)</b>	<b>1,187,930</b>	<b>898,393</b>	<b>(289,537)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(38,020)</b>	<b>(15,855)</b>	<b>22,165</b>	<b>(252,930)</b>	<b>(36,800)</b>	<b>216,130</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(1,737)</b>	<b>(1,737)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds- nonbudgeted accounts</b>	<b>(38,020)</b>	<b>(15,855)</b>	<b>22,165</b>	<b>(254,667)</b>	<b>(38,537)</b>	<b>216,130</b>
Budgetary fund balances (deficits), July 1, 2001	(42,495)	(42,495)	-	(35,109)	(35,109)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (80,515)</b>	<b>\$ (58,350)</b>	<b>\$ 22,165</b>	<b>\$ (289,776)</b>	<b>\$ (73,646)</b>	<b>\$ 216,130</b>

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Total		
Final Budget	Actual	Variance Over (Under)
\$ 1,308,875	\$ 1,229,893	\$ (78,982)
-	9	9
1,308,875	1,229,902	(78,973)

1,599,014	1,282,137	(316,877)
20	20	-
791	400	(391)
1,599,825	1,282,557	(317,268)

(290,950)	(52,655)	238,295
(1,737)	(1,737)	-

(292,687)	(54,392)	238,295
(77,604)	(77,604)	-

\$ (370,291)	\$ (131,996)	\$ 238,295
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**State of Illinois**
**Combining Schedule of Revenues, Expenditures and Changes  
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
Federal Trust Funds - Student Assistance Commission**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Federal Student Loan			Student Loan Operation		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 83,565	\$ 67,072	\$ (16,493)			
Other	-	59,289	59,289	\$ 37,425	\$ 37,249	\$ (176)
Less:						
Refunds				1,600	683	(917)
<b>Total revenues</b>	<b>83,565</b>	<b>126,361</b>	<b>42,796</b>	<b>35,825</b>	<b>36,566</b>	<b>741</b>
<b>EXPENDITURES:</b>						
Current:						
Education	234,600	133,541	(101,059)	57,128	41,645	(15,483)
Capital outlays				500	326	(174)
<b>Total expenditures</b>	<b>234,600</b>	<b>133,541</b>	<b>(101,059)</b>	<b>57,628</b>	<b>41,971</b>	<b>(15,657)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(151,035)</b>	<b>(7,180)</b>	<b>143,855</b>	<b>(21,803)</b>	<b>(5,405)</b>	<b>16,398</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out				(27)	(27)	-
<b>Total Other sources (uses) of financial resources:</b>				<b>(27)</b>	<b>(27)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) financial resources</b>	<b>(151,035)</b>	<b>(7,180)</b>	<b>143,855</b>	<b>(21,830)</b>	<b>(5,432)</b>	<b>16,398</b>
Budgetary fund balances, July 1, 2001	41,533	41,533	-	35,639	35,639	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (109,502)</b>	<b>\$ 34,353</b>	<b>\$ 143,855</b>	<b>\$ 13,809</b>	<b>\$ 30,207</b>	<b>\$ 16,398</b>



Total		
Final Budget	Actual	Variance Over (Under)
\$ 83,565	\$ 67,072	\$ (16,493)
37,425	96,538	59,113
1,600	683	(917)
119,390	162,927	43,537

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Central Management Services			Corrections Working Capital		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ 268,600	\$ 240,490	\$ (28,110)	\$ 52,750	\$ 45,368	\$ (7,382)
Less:						
Refunds	8,060	-	(8,060)	15	14	(1)
<b>Total revenues</b>	<b>260,540</b>	<b>240,490</b>	<b>(20,050)</b>	<b>52,735</b>	<b>45,354</b>	<b>(7,381)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	335,083	234,316	(100,767)	58	58	-
Transportation						
Public protection and justice				55,397	42,455	(12,942)
Capital outlays	1,233	845	(388)	3,872	2,753	(1,119)
<b>Total expenditures</b>	<b>336,316</b>	<b>235,161</b>	<b>(101,155)</b>	<b>59,327</b>	<b>45,266</b>	<b>(14,061)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(75,776)</b>	<b>5,329</b>	<b>81,105</b>	<b>(6,592)</b>	<b>88</b>	<b>6,680</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	2,100	6,522	4,422			
Operating transfers-out	(16)	(16)	-	(57)	(57)	-
<b>Total other sources (uses) of financial resources</b>	<b>2,084</b>	<b>6,506</b>	<b>4,422</b>	<b>(57)</b>	<b>(57)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(73,692)</b>	<b>11,835</b>	<b>85,527</b>	<b>(6,649)</b>	<b>31</b>	<b>6,680</b>
Budgetary fund balances, July 1, 2001	(5,058)	(5,058)	-	10,898	10,898	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (78,750)</b>	<b>\$ 6,777</b>	<b>\$ 85,527</b>	<b>\$ 4,249</b>	<b>\$ 10,929</b>	<b>\$ 6,680</b>

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 4,430	\$ 4,338	\$ (92)	\$ 325,780	\$ 290,196	\$ (35,584)
10	1	(9)	8,085	15	(8,070)
4,420	4,337	(83)	317,695	290,181	(27,514)

*State of Illinois***Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) Revolving Funds - Department of Central Management Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	State Garage			Communications		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Other	\$ 36,000	\$ 35,778	\$ (222)	\$ 147,600	\$ 139,579	\$ (8,021)
Less:						
Refunds	10	-	(10)	50	-	(50)
<b>Total revenues</b>	<b>35,990</b>	<b>35,778</b>	<b>(212)</b>	<b>147,550</b>	<b>139,579</b>	<b>(7,971)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	40,880	33,688	(7,192)	168,164	118,183	(49,981)
Capital outlays	1,046	753	(293)	138	69	(69)
<b>Total expenditures</b>	<b>41,926</b>	<b>34,441</b>	<b>(7,485)</b>	<b>168,302</b>	<b>118,252</b>	<b>(50,050)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,936)</b>	<b>1,337</b>	<b>7,273</b>	<b>(20,752)</b>	<b>21,327</b>	<b>42,079</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in						
Operating transfers-out	(2)	(2)	-	(8)	(8)	-
<b>Total other sources (uses) of financial resources</b>	<b>(2)</b>	<b>(2)</b>	<b>-</b>	<b>(8)</b>	<b>(8)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources</b>	<b>(5,938)</b>	<b>1,335</b>	<b>7,273</b>	<b>(20,760)</b>	<b>21,319</b>	<b>42,079</b>
Budgetary fund balances (deficits), July 1, 2001	(5,059)	(5,059)	-	(12,783)	(12,783)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (10,997)</b>	<b>\$ (3,724)</b>	<b>\$ 7,273</b>	<b>\$ (33,543)</b>	<b>\$ 8,536</b>	<b>\$ 42,079</b>



**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
State Trust Funds**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Code Departments			Other Agencies, Boards and Commissions		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes	\$ 409,882	\$ 409,882	\$ -			
Motor fuel taxes	26,899	26,899	-			
Federal government	107,525	109,849	2,324	\$ 12,650	\$ -	\$ (12,650)
Other	834,960	1,022,727	187,767	631,981	658,639	26,658
Less:						
Refunds	100		(100)			-
<b>Total revenues</b>	<b>1,379,166</b>	<b>1,569,357</b>	<b>190,191</b>	<b>644,631</b>	<b>658,639</b>	<b>14,008</b>
<b>EXPENDITURES:</b>						
Current:						
Health and Social Services	353,221	251,881	(101,340)			
Education						
General government	219,591	149,112	(70,479)	27,432	27,432	-
Public protection and justice						
Employment and economic development						
Environment and business regulation						
Capital outlays	3,621	1,256	(2,365)			
<b>Total expenditures</b>	<b>576,433</b>	<b>402,249</b>	<b>(174,184)</b>	<b>27,432</b>	<b>27,432</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>802,733</b>	<b>1,167,108</b>	<b>364,375</b>	<b>617,199</b>	<b>631,207</b>	<b>14,008</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	-	2,000	2,000			
Operating transfers-out	(145,060)	(145,060)	-			
<b>Total other sources (uses) of financial resources</b>	<b>(145,060)</b>	<b>(143,060)</b>	<b>2,000</b>			
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(1,016,713)</b>	<b>(1,016,713)</b>	<b>-</b>	<b>(637,164)</b>	<b>(637,164)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(359,040)</b>	<b>7,335</b>	<b>366,375</b>	<b>(19,965)</b>	<b>(5,957)</b>	<b>14,008</b>
Budgetary fund balances July 1, 2001, as previously reported	83,927	83,927	-	130	130	-
Reclassifications between budgetary-nonbudgetary funds-net	(10,509)	(10,509)	-	103,153	103,153	-
Budgetary fund balances July 1, 2001 as reclassified	73,418	73,418	-	103,283	103,283	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (285,622)</b>	<b>\$ 80,753</b>	<b>\$ 366,375</b>	<b>\$ 83,318</b>	<b>\$ 97,326</b>	<b>\$ 14,008</b>

Other			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)

			\$ 409,882	\$ 409,882	\$ -
			26,899	26,899	-
\$ 3,701	\$ 4,390	\$ 689	123,876	114,239	(9,637)
18,421	55,870	37,449	1,485,362	1,737,236	251,874
		-	100	-	(100)
22,122	60,260	38,138	2,045,919	2,288,256	242,337

19,183	6,089	(13,094)	372,404	257,970	(114,434)
21,093	12,165	(8,928)	21,093	12,165	(8,928)
2,558	2,224	(334)	249,581	178,768	(70,813)
3,956	2,035	(1,921)	3,956	2,035	(1,921)
2,622	20	(2,602)	2,622	20	(2,602)
9,406	5,631	(3,775)	9,406	5,631	(3,775)
3	-	(3)	3,624	1,256	(2,368)
58,821	28,164	(30,657)	662,686	457,845	(204,841)
(36,699)	32,096	68,795	1,383,233	1,830,411	447,178

			-	2,000	2,000
(347)	(347)	-	(145,407)	(145,407)	-
(347)	(347)	-	(145,407)	(143,407)	2,000
(21,030)	(21,030)	-	(1,674,907)	(1,674,907)	-

(58,076)	10,719	68,795	(437,081)	12,097	449,178
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26,044	26,044	-	110,101	110,101	-
13,943	13,943	-	106,587	106,587	-
39,987	39,987	-	216,688	216,688	-
\$ (18,089)	\$ 50,706	\$ 68,795	\$ (220,393)	\$ 228,785	\$ 449,178

# State of Illinois

## Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP) State Trust Funds - Code Departments

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Central Management Services			Human Services		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes						
Motor fuel taxes						
Federal government	\$ 850	\$ 288	\$ (562)	\$ 22,200	\$ 15,645	\$ (6,555)
Other	527,644	476,735	(50,909)	74,480	67,530	(6,950)
Less:						
Refunds				100	-	(100)
<b>Total revenues</b>	<b>528,494</b>	<b>477,023</b>	<b>(51,471)</b>	<b>96,580</b>	<b>83,175</b>	<b>(13,405)</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services				150,000	80,878	(69,122)
General government	217,000	146,715	(70,285)			
Capital outlays	18	-	(18)			
<b>Total expenditures</b>	<b>217,018</b>	<b>146,715</b>	<b>(70,303)</b>	<b>150,000</b>	<b>80,878</b>	<b>(69,122)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>311,476</b>	<b>330,308</b>	<b>18,832</b>	<b>(53,420)</b>	<b>2,297</b>	<b>55,717</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in	-	2,000	2,000			
Operating transfers-out	(81)	(81)	-	(1)	(1)	-
<b>Total other sources (uses) of financial resources</b>	<b>(81)</b>	<b>1,919</b>	<b>2,000</b>	<b>(1)</b>	<b>(1)</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(325,826)</b>	<b>(325,826)</b>	<b>-</b>			
<b>Excess (deficiency) of revenues over (under) expenditures, other sources (uses) of financial resources and budgetary funds- nonbudgeted accounts</b>	<b>(14,431)</b>	<b>6,401</b>	<b>20,832</b>	<b>(53,421)</b>	<b>2,296</b>	<b>55,717</b>
Budgetary fund balances (deficits), July 1, 2001, as previously reported	3,004	3,004	-	11,112	11,112	-
Reclassifications between budgetary/nonbudgetary funds-net	(10,509)	(10,509)	-			
Budgetary fund balance (deficits), July 1, 2001	(7,505)	(7,505)	-	11,112	11,112	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (21,936)</b>	<b>\$ (1,104)</b>	<b>\$ 20,832</b>	<b>\$ (42,309)</b>	<b>\$ 13,408</b>	<b>\$ 55,717</b>



Public Aid			Revenue			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
			\$ 409,882	\$ 409,882	\$ -	\$ 409,882	\$ 409,882	\$ -
			26,899	26,899	-	26,899	26,899	-
\$ 84,475	\$ 93,916	\$ 9,441				107,525	109,849	2,324
232,066	477,692	245,626	770	770	-	834,960	1,022,727	187,767
						100	-	(100)
316,541	571,608	255,067	437,551	437,551	-	1,379,166	1,569,357	190,191
203,221	171,003	(32,218)				353,221	251,881	(101,340)
1,589	1,466	(123)	1,002	931	(71)	219,591	149,112	(70,479)
3,603	1,256	(2,347)				3,621	1,256	(2,365)
208,413	173,725	(34,688)	1,002	931	(71)	576,433	402,249	(174,184)
108,128	397,883	289,755	436,549	436,620	71	802,733	1,167,108	364,375
						-	2,000	2,000
(144,978)	(144,978)	-				(145,060)	(145,060)	-
(144,978)	(144,978)	-				(145,060)	(143,060)	2,000
(254,109)	(254,109)	-	(436,778)	(436,778)	-	(1,016,713)	(1,016,713)	-
(290,959)	(1,204)	289,755	(229)	(158)	71	(359,040)	7,335	366,375
32,759	32,759	-	37,052	37,052	-	83,927	83,927	-
						(10,509)	(10,509)	-
32,759	32,759	-	37,052	37,052	-	73,418	73,418	-
\$ (258,200)	\$ 31,555	\$ 289,755	\$ 36,823	\$ 36,894	\$ 71	\$ (285,622)	\$ 80,753	\$ 366,375

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Sources and Uses of Financial Resources and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
State Trust Funds - Department of Central Management Services**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Local Government Health Insurance Reserve			Teacher Health Insurance Security		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government						
Other	\$ 128,287	\$ 87,194	\$ (41,093)	\$ 183,040	\$ 183,040	\$ -
<b>Total revenues</b>	<b>128,287</b>	<b>87,194</b>	<b>(41,093)</b>	<b>183,040</b>	<b>183,040</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	128,667	83,628	(45,039)			
Capital outlays	18	-	(18)			
<b>Total expenditures</b>	<b>128,685</b>	<b>83,628</b>	<b>(45,057)</b>			
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(398)</b>	<b>3,566</b>	<b>3,964</b>	<b>183,040</b>	<b>183,040</b>	<b>-</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-in				-	2,000	2,000
Operating transfers-out	(11)	(11)	-	(18)	(18)	-
<b>Total other sources (uses) of financial resources</b>	<b>(11)</b>	<b>(11)</b>	<b>-</b>	<b>(18)</b>	<b>1,982</b>	<b>2,000</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(173,450)</b>	<b>(173,450)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and other sources (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(409)</b>	<b>3,555</b>	<b>3,964</b>	<b>9,572</b>	<b>11,572</b>	<b>2,000</b>
Budgetary fund (deficits) July 1, 2001, as previously reported	(6,194)	(6,194)	-			
Reclassifications between budgetary-nonbudgetary funds-net				(10,509)	(10,509)	-
Budgetary fund balances (deficits) July 1, 2001, as reclassified	(6,194)	(6,194)	-	(10,509)	(10,509)	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (6,603)</b>	<b>\$ (2,639)</b>	<b>\$ 3,964</b>	<b>\$ (937)</b>	<b>\$ 1,063</b>	<b>\$ 2,000</b>

Group Insurance Premium			State Employees Deferred Compensation Plan			Total		
Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
\$ 850	\$ 288	\$ (562)				\$ 850	\$ 288	\$ (562)
62,560	52,744	(9,816)	\$ 153,757	\$ 153,757	-	527,644	476,735	(50,909)
63,410	53,032	(10,378)	153,757	153,757	-	528,494	477,023	(51,471)
86,476	61,899	(24,577)	1,857	1,188	(669)	217,000	146,715	(70,285)
						18		(18)
86,476	61,899	(24,577)	1,857	1,188	(669)	217,018	146,715	(70,303)
(23,066)	(8,867)	14,199	151,900	152,569	669	311,476	330,308	18,832
						-	2,000	2,000
(11)	(11)	-	(41)	(41)	-	(81)	(81)	-
(11)	(11)	-	(41)	(41)	-	(81)	1,919	2,000
			(152,376)	(152,376)	-	(325,826)	(325,826)	-
(23,077)	(8,878)	14,199	(517)	152	669	(14,431)	6,401	20,832
4,207	4,207	-	4,991	4,991	-	3,004	3,004	-
						(10,509)	(10,509)	-
4,207	4,207	-	4,991	4,991	-	(7,505)	(7,505)	-
\$ (18,870)	\$ (4,671)	\$ 14,199	\$ 4,474	\$ 5,143	669	\$ (21,936)	\$ (1,104)	\$ 20,832

**State of Illinois**

**Combining Schedule of Revenues, Expenditures, Other Uses of Financial Resources  
and Changes in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
State Trust Funds - Department of Public Aid**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Public Aid Recoveries Trust			Child Support Enforcement Trust		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$	\$ 1,460	\$ 1,460	\$ 84,475	\$ 92,456	\$ 7,981
Other	143,356	286,849	143,493	88,710	190,843	102,133
<b>Total revenues</b>	<b>143,356</b>	<b>288,309</b>	<b>144,953</b>	<b>173,185</b>	<b>283,299</b>	<b>110,114</b>
<b>EXPENDITURES:</b>						
Current:						
Health and social services	17,974	14,142	(3,832)	185,247	156,861	(28,386)
General government	40	40	-	1,549	1,426	(123)
Capital outlays	754	69	(685)	2,849	1,187	(1,662)
<b>Total expenditures</b>	<b>18,768</b>	<b>14,251</b>	<b>(4,517)</b>	<b>189,645</b>	<b>159,474</b>	<b>(30,171)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>124,588</b>	<b>274,058</b>	<b>149,470</b>	<b>(16,460)</b>	<b>123,825</b>	<b>140,285</b>
<b>OTHER (USES) OF FINANCIAL RESOURCES:</b>						
Operating transfers-out	(144,978)	(144,978)	-			
<b>Total other (uses) of financial resources</b>	<b>(144,978)</b>	<b>(144,978)</b>	<b>-</b>			
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(146,405)</b>	<b>(146,405)</b>	<b>-</b>	<b>(107,704)</b>	<b>(107,704)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures, other (uses) of financial resources and budgetary funds-nonbudgeted accounts</b>	<b>(166,795)</b>	<b>(17,325)</b>	<b>149,470</b>	<b>(124,164)</b>	<b>16,121</b>	<b>140,285</b>
Budgetary fund balances, July 1, 2001	18,583	18,583	-	14,176	14,176	-
<b>BUDGETARY FUND BALANCES (DEFICITS), JUNE 30, 2002</b>	<b>\$ (148,212)</b>	<b>\$ 1,258</b>	<b>\$ 149,470</b>	<b>\$ (109,988)</b>	<b>\$ 30,297</b>	<b>\$ 140,285</b>

	Total	
Final Budget	Actual	Variance Over (Under)

203,221	171,003	(32,218)
1,589	1,466	(123)
3,603	1,256	(2,347)
<u>208,413</u>	<u>173,725</u>	<u>(34,688)</u>

(254,109)	(254,109)	-
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**State of Illinois**
**Combining Schedule of Revenues, Expenditures and Changes  
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
State Trust Funds - Department of Revenue**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Home Rule Municipal ROT			County Option Motor Fuel Tax		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Sales taxes	\$ 409,882	\$ 409,882	\$ -			
Motor fuel taxes				\$ 26,899	\$ 26,899	\$ -
Other	636	636	-	134	134	-
<b>Total revenues</b>	<b>410,518</b>	<b>410,518</b>	<b>-</b>	<b>27,033</b>	<b>27,033</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	397	390	(7)	605	541	(64)
<b>Total expenditures</b>	<b>397</b>	<b>390</b>	<b>(7)</b>	<b>605</b>	<b>541</b>	<b>(64)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>410,121</b>	<b>410,128</b>	<b>7</b>	<b>26,428</b>	<b>26,492</b>	<b>64</b>
<b>Budgetary funds-nonbudgeted accounts</b>	<b>(410,402)</b>	<b>(410,402)</b>	<b>-</b>	<b>(26,376)</b>	<b>(26,376)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds-non-budgeted accounts</b>	<b>(281)</b>	<b>(274)</b>	<b>7</b>	<b>52</b>	<b>116</b>	<b>64</b>
Budgetary fund balances, July 1, 2001	31,762	31,762	-	5,290	5,290	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ 31,481</b>	<b>\$ 31,488</b>	<b>\$ 7</b>	<b>\$ 5,342</b>	<b>\$ 5,406</b>	<b>\$ 64</b>


Total		
Final Budget	Actual	Variance Over (Under)
\$ 409,882	\$ 409,882	\$ -
26,899	26,899	-
770	770	-
437,551	437,551	-

1,002	931	(71)
1,002	931	(71)

436,549	436,620	71
(436,778)	(436,778)	-

(229)	(158)	71
37,052	37,052	-
\$ 36,823	\$ 36,894	\$ 71

**State of Illinois**

**Combining Schedule of Revenues, Expenditures and Changes  
in Budgetary Fund Balances - Budget and Actual (Non-GAAP)  
State Trust Funds - Other Agencies, Boards and Commissions**

For the Year Ended June 30, 2002 (Expressed in Thousands)

	Illinois Housing Development Authority			State Employees' Retirement System		
	Final Budget	Actual	Variance Over (Under)	Final Budget	Actual	Variance Over (Under)
<b>REVENUES:</b>						
Federal government	\$ 12,650	\$ -	\$ (12,650)			
Other	800	27,458	26,658	\$ 631,181	\$ 631,181	\$ -
<b>Total revenues</b>	<b>13,450</b>	<b>27,458</b>	<b>14,008</b>	<b>631,181</b>	<b>631,181</b>	<b>-</b>
<b>EXPENDITURES:</b>						
Current:						
General government	27,431	27,431	-	1	1	-
<b>Total expenditures</b>	<b>27,431</b>	<b>27,431</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
<b>Excess of revenues over expenditures</b>	<b>(13,981)</b>	<b>27</b>	<b>14,008</b>	<b>631,180</b>	<b>631,180</b>	<b>-</b>
<b>Budgetary funds-nonbudgeted accounts</b>				<b>(637,164)</b>	<b>(637,164)</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures and budgetary funds- non-budgeted accounts</b>	<b>(13,981)</b>	<b>27</b>	<b>14,008</b>	<b>(5,984)</b>	<b>(5,984)</b>	<b>-</b>
Budgetary fund balances, July 1, 2001, as previously reported	130	130	-			
Reclassifications between budgetary/nonbudgetary funds-net				103,153	103,153	-
Budgetary fund balances, July 1, 2001, as reclassified	130	130	-	103,153	103,153	-
<b>BUDGETARY FUND BALANCES, JUNE 30, 2002</b>	<b>\$ (13,851)</b>	<b>\$ 157</b>	<b>\$ 14,008</b>	<b>\$ 97,169</b>	<b>\$ 97,169</b>	<b>\$ -</b>



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Total		
Final Budget	Actual	Variance Over (Under)
\$ 12,650	\$ -	\$ (12,650)
631,981	658,639	26,658
644,631	658,639	14,008

27,432	27,432	-
27,432	27,432	-
617,199	631,207	14,008
(637,164)	(637,164)	-
(19,965)	(5,957)	14,008

130	130	-
103,153	103,153	-
103,283	103,283	-
\$ 83,318	\$ 97,326	\$ 14,008

**Combined Statement of Revenues, Expenditures,  
Other Sources and Uses of Financial Resources - GAAP Basis  
All Governmental Funds \*\***

For the Last Ten Fiscal Years (Expressed in Thousands)

	2002	2001	2000	1999	1998	1997
<b>REVENUES</b>						
Income taxes.....	\$ 8,644,140	\$ 9,608,337	\$ 9,675,448	\$ 9,250,492	\$ 8,810,664	\$ 7,931,647
Sales taxes.....	8,306,372	8,325,208	8,209,197	7,688,996	7,167,852	6,823,157
Motor fuel taxes.....	1,355,665	1,357,756	1,342,733	1,306,238	1,287,585	1,231,754
Public utility taxes.....	1,537,288	1,593,448	1,492,889	1,437,604	1,207,894	1,092,681
Other taxes.....	2,319,230	3,301,888	3,314,767	3,121,697	2,774,555	2,854,650
Federal government.....	11,072,398	10,702,331	10,139,165	9,355,944	8,950,849	8,909,679
Licenses and fees.....	1,707,395	1,642,976	1,526,711	1,156,885	1,093,463	1,078,001
Interest and other investment income.....	223,729	661,425	647,980	586,270	421,478	359,404
Other.....	1,722,982	2,191,187	2,065,411	1,458,372	1,551,962	1,395,495
<b>Total revenues</b>	<b>36,889,199</b>	<b>39,384,556</b>	<b>38,414,301</b>	<b>35,362,498</b>	<b>33,266,302</b>	<b>31,676,468</b>
<b>EXPENDITURES</b>						
Current:						
Health and social services.....	15,474,137	14,494,886	12,310,235	10,891,395	9,963,460	9,289,837
Education.....	11,109,860	9,030,564	8,667,910	7,540,069	6,785,608	6,131,774
General government.....	5,614,361	5,624,824	6,808,005	5,988,951	5,565,134	4,986,851
Employment and economic development *.....	1,246,520	2,729,933				
Social assistance.....			2,675,866	3,233,091	3,539,969	3,873,387
Transportation.....	2,759,248	3,586,787	3,290,098	2,566,850	2,649,178	2,697,520
Public protection and justice.....	2,151,636	1,976,867	2,011,188	1,899,057	1,678,187	1,613,345
Environment and business regulation *.....	745,643	690,984				
Natural resources and recreation.....			514,687	452,290	414,082	418,567
Debt service:						
Principal.....	670,600	574,394	529,512	531,373	522,953	501,299
Interest.....	406,415	499,304	447,467	432,128	443,161	442,578
Capital outlays.....	1,787,562	581,110	544,757	344,516	342,900	374,703
<b>Total expenditures</b>	<b>41,965,982</b>	<b>39,789,653</b>	<b>37,799,725</b>	<b>33,879,720</b>	<b>31,904,632</b>	<b>30,329,861</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(5,076,783)</b>	<b>(405,097)</b>	<b>614,576</b>	<b>1,482,778</b>	<b>1,361,670</b>	<b>1,346,607</b>
<b>OTHER SOURCES (USES) OF FINANCIAL RESOURCES</b>						
Proceeds from notes and general/special obligation bond issues.....	1,717,192	1,315,985	988,143	661,539	597,428	406,473
Proceeds from general/special obligation refunding bond issues.....	704,314	301,993		173,179	308,738	84,803
Operating transfers-in.....	5,332,536	5,682,812	5,470,623	6,382,561	4,545,916	4,460,454
Operating transfers from component units.....		588	174	15	247	777
Operating transfers-out.....	(4,799,657)	(5,198,969)	(4,934,893)	(5,866,140)	(4,040,335)	(3,876,480)
Operating transfers to component units.....		(1,762,903)	(1,420,116)	(1,572,189)	(1,492,592)	(1,423,032)
Capital lease financing.....	21,829	33,131	18,187	23,667	11,990	19,249
Payment to refunded bond escrow agent.....	(697,084)	(301,988)		(173,179)	(308,738)	(84,803)
Proceeds from certificates of participation.....			34,155			
Proceeds from other long-term obligations.....	7,080	24,858				
<b>Net other sources (uses) of financial resources</b>	<b>2,286,210</b>	<b>95,507</b>	<b>156,273</b>	<b>(370,547)</b>	<b>(377,346)</b>	<b>(412,559)</b>
<b>Excess (deficiency) of revenues over (under) expenditures and net other sources (uses) of financial resources</b>	<b>\$ (2,790,573)</b>	<b>\$ (309,590)</b>	<b>\$ 770,849</b>	<b>\$ 1,112,231</b>	<b>\$ 984,324</b>	<b>\$ 934,048</b>

\* Functional expense categories were revised in fiscal year 2001.

\*\* Prior to fiscal year 2002, Expendable Trust Fund activity had been included.

1996	1995	1994	1993
\$ 7,350,286	\$ 6,862,484	\$ 6,341,405	\$ 5,927,379
6,520,321	6,271,692	5,984,237	5,514,941
1,197,288	1,154,482	1,098,820	1,056,565
1,047,020	985,016	1,011,616	970,740
2,901,397	3,266,077	3,110,413	2,739,100
8,409,885	8,639,857	8,404,474	8,078,948
1,020,758	1,001,099	996,453	1,144,715
351,718	311,898	202,119	171,410
1,099,356	1,035,374	1,308,394	552,133
29,898,029	29,527,979	28,457,931	26,155,931
8,732,071	8,623,643	7,855,039	7,387,137
5,752,793	5,395,845	5,128,035	4,857,626
4,917,335	4,571,183	4,417,418	4,182,189
4,131,674	3,995,466	4,698,546	4,706,918
2,627,170	2,713,372	2,535,653	2,372,496
1,481,413	1,437,874	1,412,870	1,168,459
364,848	388,607	426,270	369,944
456,350	443,676	427,646	394,935
433,587	444,490	396,971	380,755
366,518	290,361	263,573	272,729
29,263,759	28,304,517	27,562,021	26,093,188
634,270	1,223,462	895,910	62,743
728,944	776,220	686,929	522,808
318,040		501,162	880,673
4,395,048	4,149,874	3,559,780	3,546,143
18	40	113	
(3,790,475)	(3,564,180)	(3,002,277)	(4,136,820)
(1,402,746)	(1,377,869)	(1,284,315)	
26,411	10,711	23,148	41,719
(318,040)		(501,162)	(880,673)
90,052	18,802		
47,252	13,598	(16,622)	(26,150)
\$ 681,522	\$ 1,237,060	\$ 879,288	\$ 36,593

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**Ratio of Annual Debt Service for General and Special Obligation  
Debt to Total Revenues and Expenditures - GAAP Basis  
All Governmental Fund Types**

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**For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio Data)**

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For the Year Ended June 30	Principal	Interest	Total Debt Service	Revenues	Ratio	Expenditures	Ratio
1993	369,687	318,813	688,500	26,155,931	2.63	26,093,188	2.64
1994	410,292	323,309	733,601	28,463,037	2.58	27,567,179	2.66
1995	427,902	350,295	778,197	29,555,580	2.63	28,311,850	2.75
1996	440,080	352,906	792,986	29,945,854	2.65	29,281,140	2.71
1997	479,810	359,718	839,528	31,716,307	2.65	30,345,472	2.77
1998	496,882	357,405	854,287	33,318,487	2.56	31,918,915	2.68
1999	428,718	280,593	709,311	35,415,609	2.00	33,792,060	2.10
2000	505,168	389,608	894,776	38,469,758	2.33	37,818,547	2.37
2001	532,841	436,876	969,717	39,440,321	2.46	39,810,076	2.44
2002	640,206	394,287	1,034,493	36,889,199	2.80	41,965,982	2.47

*State of Illinois***Ratio of General and Special Obligation Bonded Debt  
to Assessed Value and Net Bonded Debt Per Capita**

For the Last Ten Fiscal Years (Expressed in Thousands Except Ratio and Per Capita Data)

For the Year Ended June 30	Population	Equalized Assessed Value	General and Special Obligation Bond Debt			Net General and Special Obligation Bond Debt	
			Total	Less Debt Service Fund	Net	Ratio to Assessed Value	Per Capita
1993	11,697	144,468,536	6,274,656	355,254	5,919,402	4.10	506.06
1994	11,752	150,144,693	6,699,950	361,549	6,338,401	4.22	539.35
1995	11,830	157,653,737	7,143,804	416,068	6,727,736	4.27	568.70
1996	11,847	165,443,101	7,537,521	499,319	7,038,202	4.25	594.09
1997	11,896	171,381,749	7,539,564	605,629	6,933,935	4.05	582.88
1998	12,045	173,812,593	7,718,410	708,468	7,009,942	4.03	581.98
1999	12,128	182,725,045	7,954,108	792,122	7,161,986	3.92	590.53
2000	12,419	192,393,890	8,482,788	900,685	7,582,103	3.94	610.52
2001	12,482	204,178,020	9,282,965	784,312	8,498,653	4.16	680.87
2002	12,601	(a)	10,408,790	624,798	9,783,992		776.45

(a) equalized assessed value data is not available

**Source: Illinois Property Tax Statistics - Illinois Department of Revenue,  
U.S. Department of Commerce, Bureau of the Census.**

*State of Illinois*

**Revenue Bond Coverage  
Proprietary**

For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)

Fiscal Year	Gross Revenues	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage

**PRIMARY GOVERNMENT**

**Illinois Student Assistance Commission -**

1993	\$ 131,411	(a)	\$ 12,591	\$ 118,820	\$ 68,930	(a)	\$ 40,367	\$ 109,297	1.09	%
1994	202,314	(b)	13,053	189,261	140,680	(b)	42,548	183,228	1.03	
1995	117,416	(c)	14,142	103,274	61,720	(c)	44,596	106,316	0.97	
1996	124,164	(d)	15,338	108,826	61,025	(d)	47,692	108,717	1.00	
1997	144,930	(e)	20,078	124,852	76,165	(e)	51,995	128,160	0.97	
1998	107,397	(j)	21,125	86,272	29,995	(j)	57,604	87,599	0.98	
1999	130,741	(k)	22,613	108,128	39,320	(k)	63,494	102,814	1.05	
2000	149,636	(l)	24,956	124,680	39,765	(l)	21,832	61,597	2.02	
2001	170,779	(n)	29,161	141,618	42,845	(n)	17,804	60,649	2.34	
2002	130,634	(o)	37,869	92,765	39,905	(o)	16,368	56,273	1.65	

**COMPONENT UNITS**

**Illinois State Toll Highway Authority -**

1993	\$ 262,209		\$ 90,311	\$ 171,898	\$ 17,710		\$ 47,818	\$ 65,528	2.62	%
1994	290,092		127,132	162,960	21,545		52,149	73,694	2.21	
1995	314,657		186,967	127,690	24,250		53,962	78,212	1.63	
1996	325,410		167,580	157,830	25,750		54,354	80,104	1.97	
1997	460,329	(m)	178,901	281,428	174,590	(m)	54,565	229,155	1.23	
1998	330,713		124,470	206,243	26,610		51,553	78,163	2.64	
1999	333,900		66,615	267,285	27,835		30,302	58,137	4.60	
2000	342,681		146,725	195,956	33,580		46,258	79,838	2.45	
2001	354,514		151,386	203,128	35,890		29,677	65,567	3.10	
2002	365,506		160,687	204,819	37,575		27,996	65,571	3.12	

**Illinois Housing Development Authority -**

1993	\$ 272,645	(f)	\$ 14,651	\$ 257,994	\$ 328,676	(f)	\$ 172,455	\$ 501,131	.51	%
1994	329,589	(g)	18,429	311,160	793,354	(g)	149,209	942,563	.33	
1995	220,268	(h)	16,446	203,822	226,107	(h)	121,482	347,589	.59	
1996	360,854	(i)	174,136	186,718	173,146	(i)	129,502	302,648	.62	
1997	162,470		9,970	152,500	194,067		132,541	326,608	.47	
1998	291,916		174,521	117,395	387,165		145,732	532,897	.22	
1999	269,691		161,769	107,922	234,080		127,247	361,327	.30	
2000	294,546		186,199	108,347	119,344		130,889	250,233	.43	
2001	294,102		183,971	110,131	192,297		130,376	322,673	.34	
2002	298,581		174,720	123,861	327,190		127,668	454,858	.27	

**Illinois Rural Bond Bank -**

1993	\$ 1,917		\$ 535	\$ 1,382	\$ 630		\$ 1,384	\$ 2,014	.69	%
1994	2,528		642	1,886	1,135		1,730	2,865	.66	
1995	3,068		564	2,504	1,325		2,455	3,780	.66	
1996	3,338		511	2,827	1,875		2,932	4,807	.59	
1997	3,940		730	3,210	2,130		3,469	5,599	.57	
1998	5,966		1,016	4,950	2,975		4,410	7,385	.67	
1999	7,136		1,349	5,787	3,295		4,503	7,798	.74	
2000	7,000		696	6,304	4,190		6,019	10,209	.62	
2001	6,262		613	5,649	5,095		4,870	9,965	.57	
2002	4,927		699	4,228	10,815		4,841	15,656	.27	

- (a) The Commission redeemed \$68.27 million of principal with bond proceeds in December 1992.
- (b) The Commission redeemed \$135.86 million of principal with bond proceeds in February 1994.
- (c) The Commission redeemed \$49.695 million of principal with bond proceeds in February 1995.
- (d) The Commission redeemed \$49.9 million of principal with bond proceeds in February 1996.
- (e) The Commission \$68.0 million of principal with bond issuance of \$23.7 million in February 1997 and \$44.3 million in May 1997.
- (f) The Authority redeemed \$58.005 million of principal with bond proceeds throughout the year.  
In addition, the Authority used \$4.241 million from the sale of mortgage loan receivables to redeem previously issued bor
- (g) The Authority redeemed \$146.645 million of principal with bond proceeds throughout the year.
- (h) The Authority redeemed \$57.625 million of principal with the bonds proceeds in November 1994.
- (i) The Authority redeemed \$32.44 million of principal with bond proceeds in November 1995.
- (j) The Commission redeemed \$19.3 million of principal with bond issuance proceeds in February 1998.
- (k) The Commission redeemed \$34.6 million of principal with bond issuance proceeds in February 1999.
- (l) The Commission redeemed \$34.8 million of principal with bond issuance proceeds in February 2000.
- (m) The Authority issued \$148.3 million of revenue bonds in October 1996, to current refund of \$144.3 million of revenue bonds
- (n) The Commission redeemed \$29.5 million of principal with bond issuance proceeds in November 2000.
- (o) The Commission redeemed \$33.6 million of principal with bond issuance proceeds in January 2002.

**Revenue Bond Coverage \*****University**

For the Last Ten Fiscal Years (Expressed in Thousands Except Coverage Data)

Fiscal Year	Revenues/		Expenditures/		Net Revenue/ Additions Available for Debt Service	Debt Service Requirements			Coverage
	Other	Additions	Other	Deductions		Principal	Interest	Total	
1993	\$	413,427	\$	345,794	\$ 67,633	\$ 19,323	\$ 27,546	\$ 46,869	1.44 %
1994		361,832		295,495	66,337	21,600	27,224	48,824	1.36
1995		362,303		291,301	71,002	21,495	29,232	50,727	1.40
1996		457,926		383,897	74,029	25,059	28,754	53,813	1.38
1997		787,489		685,854	101,635	28,161	32,229	60,390	1.68
1998		833,590		720,247	113,343	32,520	39,139	71,659	1.58
1999		210,594		168,813	41,781	13,430	16,694	30,124	1.39
2000		246,040		200,525	45,515	13,812	18,070	31,882	1.43
2001		261,806		211,819	49,987	20,408	16,096	36,504	1.37
2002		272,997		217,009	55,988	22,230	15,801	38,031	1.47

\* Chicago State, Eastern, Northeastern, Western, Illinois State, Northern, Southern Illinois, and the University of Illinois.

The above amounts do not include student tuition and fees which are generally available, if necessary, to cover bond debt service requirements. The tuition and fees amounts, if included, would significantly increase debt service coverage.

*State of Illinois***Population by Age Group**

ILLINOIS				
	1990	Percent	2000	Percent
Under 5 years	848,141	7.4 %	876,549	7.0 %
5 - 19 years	2,451,088	21.5	2,728,957	22.0
20 - 44 years	4,553,416	39.8	4,646,387	37.5
45 - 64 years	2,141,412	18.7	2,667,375	21.5
65 years and over	1,436,545	12.6	1,500,025	12.0
Total	11,430,602	100.0 %	12,419,293	100.0 %

UNITED STATES				
	1990	Percent	2000	Percent
Under 5 years	18,354,443	7.4 %	19,175,798	6.8 %
5 - 19 years	56,976,857	22.9	61,297,467	21.8
20 - 44 years	95,765,733	38.5	104,004,252	37.0
45 - 64 years	46,371,009	18.6	61,952,636	22.0
65 years and over	31,241,831	12.6	34,991,753	12.4
Total	248,709,873	100.0 %	281,421,906	100.0 %

**Sources:** *Illinois Bureau of the Budget, Data From 1990 Census*  
*Illinois Department of Commerce and Community Affairs, Data from 2000 Census*  
*U.S. Census Bureau - Data from 2000 Census*

*State of Illinois***Total Personal Income**

For the Last Ten Fiscal Years

Year	Amount (millions)	Percent Change	Per Capita Personal Income	
			Illinois	United States
1993	270,035	6.11 %	23,091	21,435
1994	280,448	3.86	23,748	22,077
1995	297,871	6.21	25,005	23,041
1996	313,082	5.11	26,072	23,889
1997	331,227	5.80	27,370	25,007
1998*	351,551	6.14	28,849	26,329
1999*	368,420	4.80	30,022	27,591
2000*	386,125	4.81	31,242	28,965
2001*	409,489	6.05	32,972	30,558
2002*	414,475	1.22	33,205	30,833

\* Due to revisions in the Survey of Current Business, the results of the survey beginning in 1998 and after are not comparable to earlier reports.

**Source:** *Survey of Current Business,*  
*U.S. Department of Commerce*



*State of Illinois***Employment/Unemployed**

For the Last Ten Fiscal Years

Year	Total Employment	Unemployment	
		Unemployed	Rate (Percent)
1993	5,557,911	442,825	7.4
1994*	5,627,506	399,996	6.6
1995*	5,753,199	317,745	5.2
1996*	5,814,414	325,368	5.3
1997*	5,880,276	305,227	4.9
1998*	5,926,448	284,504	4.6
1999*	6,029,828	271,315	4.3
2000*	6,150,754	275,236	4.3
2001*	6,076,119	308,051	4.8
2002*	5,964,382	373,688	5.9

\* Due to revisions in the employment survey, the results of the employment survey beginning in 1994 and after are not comparable to earlier reports.

**Source: U.S. Department of Labor, Bureau of Labor Statistics Employment and Earnings**

*State of Illinois***Employment by Industry**

For the Last Ten Fiscal Years (Expressed in Thousands)

	1993	1994	1995	1996	1997	1998 *	1999 *	2000 *	2001 *	2002
Mining	17	15	14	13	12	11	11	10	10	10
Construction	197	206	214	220	229	233	247	263	268	266
Manufacturing	928	944	958	965	971	977	964	950	931	892
Transportation and Public Utilities	307	314	321	328	336	343	349	350	357	349
Wholesale and Retail Trade	1,238	1,262	1,301	1,309	1,316	1,324	1,339	1,355	1,364	1,349
Finance, Insurance and Real Estate	381	390	385	385	392	401	406	402	402	403
Services	1,437	1,487	1,547	1,612	1,664	1,731	1,799	1,843	1,868	1,848
Government	775	777	795	803	808	811	820	834	843	844
Total	5,280	5,395	5,535	5,635	5,728	5,831	5,935	6,007	6,043	5,961

\* Due to revision in Employment by Industry survey, the results of the Employment by Industry beginning in 1998 and after are not comparable to earlier reports.

**Source: U.S. Department of Labor**

*State of Illinois***Contracts for Future Construction  
And Residential Building Activity**

For the Last Ten Fiscal Years

Year	Contracts For Future Construction (millions)	Residential Building Activity	
		Permits	Valuation (millions)
1993	10,851	40,381	3,882
1994	11,041	47,168	4,891
1995	11,182	48,506	4,918
1996	11,556	49,304	4,915
1997	11,666	49,248	5,128
1998	11,850	45,576	5,398
1999	15,377	49,547	5,891
2000	14,950	54,379	6,244
2001	16,384	51,047	6,739
2002	16,384	54,999	7,324

**Sources: Illinois Department of Commerce  
& Community Affairs**

**Dodge Division, McGraw Hill  
Information System Co.**

*State of Illinois***Sales of All Retail Stores  
Annual**

For the Last Ten Fiscal Years (Expressed in Millions)

Year	Illinois*	Percent of Change	
		Illinois*	United States
1993	93,777	2.2	6.0 %
1994	97,313	3.8	7.3
1995	101,481	4.3	6.7
1996	107,867	6.2	4.9
1997	110,779	2.7	4.2
1998	116,793	5.4	4.8
1999	122,500	4.9	7.2
2000	131,295	7.2	9.2
2001	133,488	1.7	4.6
2002	136,097	1.95	3.7

\* The U.S. Department of Commerce has discontinued their monthly state retail sales series. Fiscal years 1996, 1997, 1998 and 1999 were estimated, by the Illinois Department of Commerce and Community Affairs based on sales tax collections from the Illinois Department of Revenue. Fiscal year 2000 and 2001 amounts are actual.

**Source: Illinois Department of Commerce  
& Community Affairs**

## Cash Receipts from Farm Marketings

For the Last Ten Calendar Years (Expressed in Millions)

Year	Livestock					Crops					Total Livestock and Crops
	Cattle	Hogs	Dairy Products	Other Livestock and Products	Total Livestock and Products	Corn	Soybeans	Wheat	Other Crops	Total Crops	
1992	\$ 708	\$ 1,037	\$ 332	\$ 400	\$ 2,477	\$ 2,493	\$ 2,104	\$ 178	\$ 496	\$ 5,271	\$ 7,748
1993	780	1,126	313	99	2,318	2,893	2,378	170	473	5,914	8,232
1994	705	939	322	104	2,070	2,849	2,385	179	476	5,889	7,959
1995	609	892	304	101	1,906	3,410	2,448	251	466	6,575	8,481
1996	536	1,055	332	116	2,039	3,274	2,534	170	465	6,443	8,482
1997	507	1,014	297	111	1,929	3,359	3,031	182	498	7,070	8,999
1998 *	474	679	317	103	1,573	3,034	2,782	159	455	6,430	8,003
1999 *	487	647	296	96	1,526	2,443	2,049	97	455	5,044	6,570
2000 *	532	826	255	98	1,711	2,691	2,129	139	458	5,417	7,128
2001 *	528	920	301	94	1,843	2,960	2,132	111	489	5,692	7,535
2002 **											

\* Due to revisions in the Illinois Agricultural Statistics Service, the results of cash receipts from farm marketings statistics beginning in 1998 and after are not comparable to earlier reports.

\*\* Information unavailable

Source: *Illinois Agricultural Statistics Service, U.S. Department of Agriculture*

*State of Illinois***Largest Manufacturers  
(Ranked by Number of Employees)**

Company	Number of Employees	Number of Illinois Installations
Caterpillar, Inc.	24,000	44
Motorola, Inc.	19,000	95
Abbott Laboratories	17,200	20
General Electric Company	11,900	161
Philip Morris/Kraft Foods Inc.	9,000	57
Illinois Tool Works, Inc.	8,600	84
Archer Daniels Midland Company	8,500	94
Deere & Company	7,300	33
Lucent Technologies	7,000	20
Chicago Tribune Company	5,700	28
Ford Motor Company	5,300	30
General Motors Corporation	5,200	47
RR Donnelly & Sons	5,200	18
Honeywell Inc.	5,100	40
Pepsico/Quaker Oats/Frito-Lay	4,900	35
Baxter Healthcare Corporation	4,500	26
Hollinger Publishing (Sun Times)	4,400	26
United Technologies (Sunstrand, Otis Elev.)	4,200	30
Unilever	3,800	36
Maytag Corporation	3,600	11
Smurfit Stone Corporation	3,500	35
BP/Amoco	3,300	102
Quebecor World Printing	3,300	13
Pactiv	3,200	20
Cargill Incorporated/Excel	3,200	54

**Source: Illinois Department of Commerce  
and Community Affairs**

*State of Illinois***Bituminous Coal Production  
Annual**

For the Last Ten Calendar Years (Expressed in Millions of Tons)

Year	Surface	Underground	Total	Percent Total of U.S.
1992	12,848	47,484	60,332	6.1 %
1993	7,937	34,207	42,144	6.2
1994	9,246	44,781	54,027	4.5
1995	6,878	42,659	49,537	5.3
1996	7,600	39,700	47,300	4.0
1997	6,300	35,000	41,300	4.5
1998	4,415	39,224	43,639	3.8
1999	3,637	36,679	40,316	3.5
2000	3,810	29,731	33,541	3.1
2001	5,739	28,054	33,793	3.0

**Source: Illinois Department of Natural Resources**